

GENERAL

Smith offers terror amnesty

Mr. Ian Smith's Rhodesian Government yesterday offered black nationalist guerrillas an amnesty as part of its internal settlement scheme.

A communiqué issued in Salisbury said that steps had been taken already to inform guerrillas in the bush that if "they return in peace their lives will not be in danger."

It was reported unofficially that since the New Year Rhodesian air and land forces have distributed leaflets urging Mozambique and Zambia-based guerrillas to lay down their arms and surrender.

The communiqué did not say what would happen to a surrendering guerrilla suspected of having killed white civilians. Fourteen white civilians have been reported killed in the past 20 days.

However, it said: "The Government intends to pursue this programme with the utmost vigour in order to reduce bloodshed and return the country to normality as soon as possible."

The Government is negotiating with Rhodesia-based nationalist parties for a peace settlement based on one-man, one-vote.

Page 11

Skyjacker held

An armed skyjacker who took over an airliner with 42 people on board was overpowered at Karachi last night after a scuffle with Air Marshal Nur Khan, head of the Pakistan International Airline. The Air Marshal was hit in the hip by a bullet.

Packer snubbed

The Australian cricket selectors have ignored Kerry Packer's players and named an inexperienced 15-man team to tour the West Indies next month. In Karachi, the final Test appeared to be heading for a draw. Page 3

Blow to soccer

Snow and ice will affect the weekend soccer programme with Scotland's hard hit. In New York which was almost at a standstill after blizzards deposited up to 15 inches of snow along parts of the U.S. north-east coast, a bank holiday was declared.

Sunday mail

Sunday postal services may be reintroduced soon. Sir William Barlow, Post Office chairman, said in Leeds yesterday. Page 12

Beer up

Scottish and Newcastle Breweries is to increase some beer prices by 2½ p a pint on January 30. Other brewery price rises are in the pipeline. Page 12

Dry humour

Mr. James Callaghan, the Prime Minister, invited to test a breathalyser at a Cardiff factory, said: "It wouldn't really be of any use. I gave up drinking in 1974."

Briefly ...

Laws on public safety on pavements and roads are being reviewed by the Government because of the popularity of skateboards. Skateboard standards considered. Page 13

The King and Queen of Spain arrived in Britain last night for a private visit.

Monte Carlo Rally drivers, who set out from seven European centres to-day, face heavy snow in the Alps and elsewhere.

Japanese should help to reduce mounting rice stocks by drinking more sake, Mr. Nakagawa, the Agriculture Minister, urged.

The Soviet Union launched an unmanned space vehicle, Progress, to dock with Salyut-4.

A drunken Soviet truck driver, who had been sentenced to death for mowing down a bus queue and killing eight people, it was reported in Moscow. Page 23

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISSES	
Armitage Shanks	75 + 5
Asied. Fisheries	71 + 5
Beecham	652 + 5
Burton A	126 + 7
Clark (Matthew)	150 + 18
Dawson Inns	113 + 8
Evewood (J. B.)	104 + 6
Great Cooper	52 + 6
Hallite	138 + 16
Harcos Ins.	107 + 5
Horn Motor	97 + 3
Bill Samuel	107 + 24
LWT A	120 + 4
Lebus (Harris)	70 + 6
MEPC	124 + 5
Neill (Jas.)	94 + 4
Newmark (Louis)	175 + 20
Rockit	124 + 6
Stock Conversion	276 + 6

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BUSINESS

Equities
firm: Wall
St. hit
by snow

BY PHILIP RAWSTORNE

The Government yesterday threw the Lib-Lab pact into greater jeopardy by announcing plans for a 5 per cent. devaluation in the "green pound" and rejecting Liberal demands for further concessions.

On the eve of the Liberals' special conference in Blackpool guarantees of a better deal this January, Callaghan is reported to have vetoed a compromise with the Opposition demanding a 7½ per cent. devaluation.

The Government's decision—which will raise farmers' prices by about 5 per cent. and food prices by about a penny in the f—came last night after two days of intensive talks with the Liberals had broken down.

Mr. John Pardoe, Liberal deputy leader, and Mr. Gernot Howells, the party's agriculture spokesman, had been pressing Mr. Michael Foot, Lord President, and Mr. John Silkin, Minister of Agriculture, for a 10 per cent. devaluation in the Common Market's agricultural exchange rate for sterling.

Liberals believed a compromise solution was near agreement. But Mr. Callaghan, apparently acting on behalf of the Cabinet, ruled it out.

Angered and disappointed by the rebuff, the Liberals are threatening to join the Conservatives and Scottish Nationalists in voting against the Government at the end of Monday's debate in the Commons.

Further efforts may be made on Monday to extract from the Government

Delegates will choose between that option and ending the pact immediately.

Christopher Parkes writes: The main aim of the British devaluation is to balance the Government's action in the course of this year to increase the net income of producers by 10 per cent. to "increase the net incomes of such producers by 10 per cent." this year.

If applied to all farm commodities, this change in the special agricultural rate for sterling against the EEC's unit of account would raise the retail price of butter and cheese by 3p a lb, beef by 2p a lb, bacon 1p and sugar 1p a kilogram bag.

The impact on cereals prices would add another 0.25p a bag of a standard loaf.

But the effects on the butter price would probably be delayed since Britain now has 200,000 tonnes of stocks imported last year at "old" prices.

If the Liberal demands had been met, these increases would have been doubled. Combined with price rises already on the market, the result would be 13p a pound on butter this year, 7p on cheddar cheese, 4p on most cuts of beef and smaller

Continued on Back Page

Timing

Mr. Cyril Smith and other opponents of the pact are bound to seize on the issue as another instance of Labour's reluctance to give any real ground to the Liberals.

Mr. Steele, who will be facing the biggest Liberal conference in post-war years—about 1,700 delegates—still hopes to reserve for the leadership the decision about the timing of the party's break

on Monday to extract from the Government

Continued on Back Page

'Green £' proposal puts Lib-Lab pact in jeopardy

BY MICHAEL TINGAY

PRESIDENT ANWAR SADAT reiterated to-day that Egypt's minimum demand for continuing direct negotiations on Middle East peace settlement was Israel's agreement to a declaration of principles, including withdrawal from Arab territories occupied in 1967 and "Palestinian self-determination."

He dismissed the argument over Jewish settlements in Sinai, which was another major bone of contention at the abortive Jerusalem negotiations earlier this week, as a "loss of time" and a "joke."

The Egyptian leader stressed that the "door to peace was not closed." Mr. Sadat was speaking to reporters at his residence near the Suez Barrage after two hours of discussions with Mr. Cyrus Vance, U.S. Secretary of State, who arrived here today in a desperate bid to salvage the peace talks.

Mr. Vance said that he had made progress in talks last night in Jerusalem with Mr. Moshe Dayan, the Israeli Foreign Minister. He had "recorded what took place to President Sadat."

The Egyptian leader stressed that "the door to peace was not closed." Mr. Sadat was speaking to reporters at his residence near the Suez Barrage after two hours of discussions with Mr. Cyrus Vance, U.S. Secretary of State, who arrived here today in a desperate bid to salvage the peace talks.

He was working on a declaration of principles in which Israel shows its determination to end the occupation of land occupied since 1967 and self-determination for the Pales-

tinians.

The minimum for continuing our work on straight lines should be this declaration of principles—that is, and self-determination.

What other time is needed to perform this is a matter for negotiations, as it can be agreed upon and negotiated in a less dangerous way."

Cairo is waiting to hear what the Egyptian leader will say when he addresses the People's Assembly to-morrow night.

Mr. Sadat has limited options after the suspension of the talks of the political committee involving the Foreign Ministers of the two States and Mr. Vance.

There has been speculation among diplomats here that he might decide to fly to Washington in the near future.

He has believed throughout the last four years that the solution to the Middle East problem must involve U.S. pressure on Israel, and, more fundamentally, a change in American public opinion.

Mr. Dayan said in Jerusalem that President Sadat's conditions for resuming peace talks were absurd. There would be no talks "if Egypt does not modify its demands for Israeli concessions."

The President told a questioner that "the whole approach to peace negotiations is being tested because we are losing time discussing, for instance,

New trouble immediately arose from the boilermakers, the Tyne.

Continued on Back Page

Editorial Comment, Page 14

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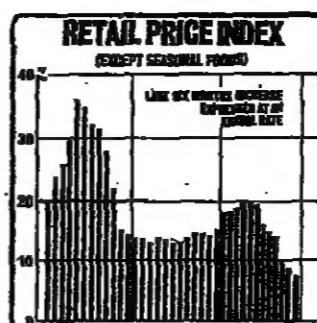
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Retail price inflation in single figures

By Peter Riddell, Economics Correspondent

THE underlying level of retail price inflation is now well down into single figures and the 12-month rate should also move below 10 per cent. within two months.

President Carter mentioned some of his proposals in his State of the Union message last night. More details will be forthcoming in the full tax proposals and the Budget, due to October 1, with a further reduction to 44 per cent. in 1980.

He also recommended that the 10 per cent. investment tax credit be made permanent, and its applicability widened.

These were the principal points in his separate Bradfords' economic report to Congress published to-day as part of a barrage of economic policy statements emanating from the Administration.

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The week in London and New York

Second-line stocks in demand

ONLOOKER

TRADING IN the market this week was extremely thin although there was a fair amount of interest in the second line stocks particularly those with some speculative appeal. Ahead of the Trade figures on Monday buyers were few and far between and the eventual disappointing announcement left both equities and gilts drifting lower.

Concern over the trade figures was again apparent on Tuesday and gilts were lowered throughout the day finishing on balance about 14 points down. Some recovery was, however, noticeable after this on the back of some cheap buying and bear covering and over the course of Wednesday and Thursday gilts and equities made up the leeway lost.

The momentum was kept up yesterday following the encouraging implications of the latest Retail Price Index, although in late dealings gilts came in for some profit taking.

Motor distributors

The motor distributor sector has made a racing start to the year. This week saw another set of sparkling results from distributors, a £10.2m. bid for Toyota dealers, Pride and Clarke, while Fiat announced plans to extend its dealerships; as overseas manufacturers gear up to take an even bigger slice of the U.K. car market in 1978.

According to results published over the past fortnight, motor distributors' profits rose by an average 60 per cent last year, during a period when U.K. car registrations rose only 3 per cent. Underpinning profits has been the companies' increasing involvement in car hire and leasing which is much more profitable than straight car sales.

It is estimated that between 50 per cent and 70 per cent of all new U.K. car registrations now end up in company fleets and an increasing percentage of this business is through leasing and hire deals.

The British Vehicle Rental and Leasing Association said yesterday that leasing business may have increased by 10 per cent since last June when control's demanding that corporate customers pay a ten month deposit were scrapped.

Under the 1971 Finance Act—and following a test case involving Godfrey Davis in 1975—car hirers are allowed fully to depreciate the cost of a new car in a single year. The tax advantages of this concession have not escaped the notice of

the banks which have become increasingly involved in financing leasing deals.

This is a mutually beneficial arrangement since the finance house can eventually sell the vehicle back (at a substantial discount) to the dealer thereby providing a ready supply of cars for the second hand market. The Bank of Scotland recently took a 26 per cent stake in Henlys to obtain an outlet for its leasing and hire purchase business.

TV smiles

Advertising revenue figures released this week for the independent TV companies, showing a 38 per cent rise in December, closed the book on a year that far exceeded expectations. Revenue for 1977 as a whole was up 30 per cent, and some of the contractors' profit gains have been well in excess of that. ATV is top performer with doubled TV profits of £4m.

Trident's figures released this week were up to scratch with full year profits over 50 per cent higher at £7.86m. But the figures were not without a sour note. The TV rental operation in Australia turned in a small loss. At the interim stage, when Australia had moved into the black, it seemed as if Trident's major diversification was established and that it was a matter of letting the rental income roll in.

However Australia has been difficult for many—EMI sold out its TV manufacturing to Rank and Nippon Electric—and to restore profits Trident will have to expand its set density by acquisition.

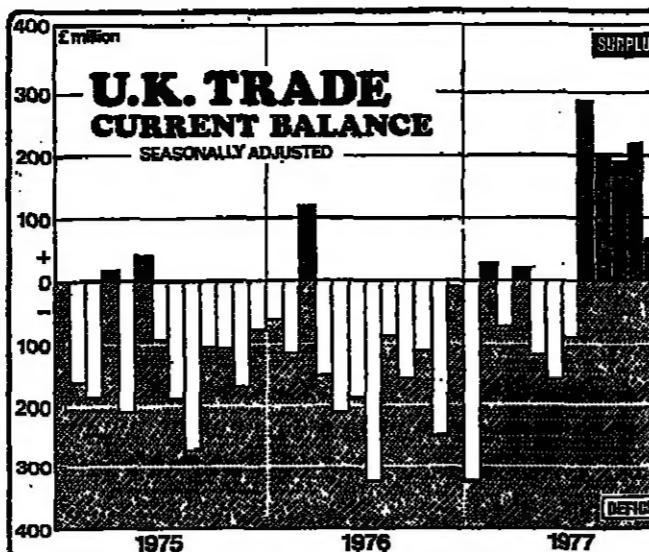
Anglia was the one contractor to disappoint. Profits expanded by 11 per cent pre-tax. At the operating level the company was 40 per cent higher—well up to the mark—but after levy payments (two-thirds of TV profits) most of the £1.4m. gain was creamed off.

Overseas programme sales (free or levy) were flat, but Anglia is going all out to do better this year.

Spotlight on Racial

Racial's share price bounced back 16p in two days this week as the stock market breathed a sigh of relief that the bribery trial involving two former Racial employees had ended.

However, Racial's share price has still fallen by three times more than the All-share index since the shares peaked at 270p last September. Bad publicity generated by the trial will not have helped but the market is more concerned that Racial's dramatic growth phase must



soon end unless the group buys its way into new markets. This could be expensive. Worries about the exchange rate have not helped the share price.

Drinks up

Mr. Roy Hattersley's speech at the annual dinner of Licensed Victuallers probably caused a few pangs of indigestion. The Prices Secretary took a hard line on the need for increased competition, and the frequency of price increases. "If there was a real need for such frequent increases the time is past."

In a week when the Price Commission had to allow Allied Breweries a 2p a pint interim price increase and Scottish and Newcastle has been nodded through with a similar rise, Mr. Hattersley's comments hint at some strong resentment within the Government to the scale of price increases.

Though the Commission may have difficulty in limiting beer prices this time, the full investigation into Allied is bound to be abrasive. Next time the brewers might find the going a lot tougher. Some indication of things to come was given by Scottish. It got its price rise but without a promise to hold prices until next October.

Elsewhere Distillers' un-

announced of a 10 per cent price increase for exports looks like a real slap in the face for the EEC Commission, which recently ruled against DCL's dual pricing policy. If the EEC gets tough it could stop DCL withdrawing Johnnie Walker from the home market. UK agents would then be in a position to undercut European agents. It could be bad news for DCL if its overseas agents stop promoting Johnnie Walker.

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Cold comfort

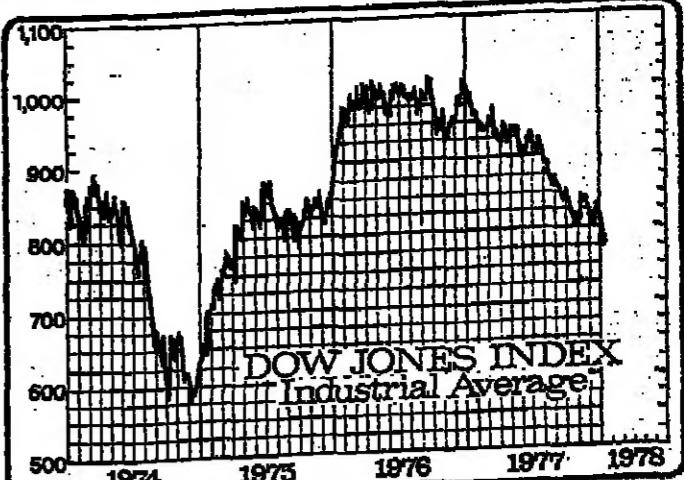
BY JOHN WYLES

NEW YORK, Jan. 20.

P. G. WODEHOUSE might have failed to discriminate between good and bad news, and has remained grunted this morning for sat to both by wiping value off an ordinarily heavy snow the Dow Jones Industrial Average. Whether the President was very politically wise, therefore, in implying that the most important judgement on nation's attention had been directed to Wall Street by none other than President Carter who had apparently taken to heart the oft-repeated nostrum that he was not inspiring enough confidence in the business community and had indicated in an off the cuff remark earlier in the week that "We'll see how good a speech it is by what the market does on Friday."

He was referring, of course, to the State of the Union speech delivered to the Congress last night. But unfortunately the market has been doing nothing this morning because many of the people who man it were either stranded in their homes or unable to get to the Stock Exchange in time for its normal 10 a.m. opening. The verdict on the State of the Union speech therefore, will be inconclusive as far as today's trading is concerned for activities will be confined to a brief four-hour period and much distracted by the blizzard still raging outside.

As we have seen for more than a year now the market has often



Your savings and investments

Reserve and pension

BY ERIC SHORT

MUCH HAS been said and done out of the 5.5 per cent. tax written about the new State pension scheme starting in April, and next week the Govt. is launching a massive campaign to explain the benefits of the changes. But the self-employed need not be left out, because they partly as a tax-free cash sum will get nothing more than a pension, at any under the present system. They need to make their own arrangements. A pension contract with a life company is the most tax-efficient way of doing it.

The self-employed, however, also need to keep part of their assets liquid to meet unforeseen emergencies and such capital cannot be put into a pension contract because the money so invested cannot be realised until retirement. These two objectives are somewhat in conflict, but Mark Weinberg of Hambro Life, the architect-entrepreneur of life assurance, has, in conjunction with Alliance Building Society, produced a plan to help the self-employed on both counts.

The plan, named the Retirement Bond, is quite straightforward. The investor deposits a lump sum in an ordinary account with the Alliance as a reserve for his business, and payment. Consider this example: this remains untouched. But if an investor invested £500 in most of the interest—4.8 per cent. on the pound invested £1000.

Interest from B.S. at 4.8 per cent. paid to pension plan £
Less higher rate tax 153
Plus tax relief at 55 per cent. on £480 264

Increase in income 111

Total annual receipts 381

Interest from equivalent fund paid gross to pension plan 727

The tax liability is cancelled out by tax relief.

Pleas to the Chancellor

IN THE SEASONAL clamour of investment trusts now assailing the ears of the money stand, the Chancellor of the Exchequer, nothing to do with the past performance of the management, is being struck. All of the managed funds want an end to the present anomalous treatment of the income from loan stocks and gilts.

As things stand at the moment, anyone who puts their money into such investments—by a way of a fund will be much more highly taxed on the income than if he did it himself.

Obviously investors' expectations of a trust's capital performance are going to depend on their expectations of movements in the market in which that trust is invested. The expectations of the whole sector's income performance has, perhaps, been in abeyance until quite recently, partly because of an outdated belief in capital growth rather than yield, and partly because of a high-level of investment in low-yielding American stocks; many investment trusts weren't yielding enough to make it a serious factor in the calculations.

But all that is changing now. A fall in the value of the pound, and a rise in yields on Wall Street, has produced some dramatic increases in trust income: and since they are not subject to dividend control they their net assets at which have been passing it on.

£10.3%
CURRENT ESTIMATED ANNUAL GROSS YIELD
PAID QUARTERLY

LAWSON HIGH YIELD FUND
"The track record of this fund an Income and Capital is good" — FINANCIAL TIMES 21/12/77
"Considering the general fall in interest rates the yield is attractive" — GUARDIAN 22/10/77
"For those who want double figures Lawson High Yield looks most promising" — DAILY EXPRESS 17/9/77

* LAWSON HIGH YIELD is proving extremely popular, having risen from £100 to over £12 million in only 3½ years. Moreover, holders of accumulation units have seen their investment more than double and income unit holders are now receiving a yield equivalent to over 18% on their initial investment.

* SECURITY—any risk inherent in high yield share is minimised through a wide spread of investments—particularly through the investment trusts. Shares are carefully selected not only for high yield—but also for future appreciation of capital and income.

* CURRENT PORTFOLIO:—5% Preference Shares; 30% Equities; 30% Investment Trust Income Shares.

INVEST BY 31st JANUARY FOR NEXT QUARTERLY PAYMENT

You should act quickly to take advantage of the current high yield available. A Balance of Payments Solution for the public sector available. The fund will be good for the UK Stockmarket over the next few years. By investing in LAWSON HIGH YIELD units now, you could profit from falling interest rates—not only should you receive this high yield now, but you should also benefit from a capital gain on your units and a rising income in the future.

The price of the units and the income from them can go down as well as up. Nevertheless we believe that a wide spread of high yielding securities should prove to be an excellent investment over the long term.

A wider range trustee security authorised by the Department of Trade. Credicard Bank Ltd (Member of Midland Bank Group) Auditors: Whitley Murray & Co. (Chartered Accountants) Managers: Lawson Securities Ltd, 63 George Street, Edinburgh EH2 2LG Tel. 031-226 3911. Registered in Edinburgh 5515. During an offer, units may be bought or sold daily—otherwise weekly on Friday. Settlement for units sold within a few days.

FIXED PRICE OFFER UNTIL TUESDAY JAN 31st 1978

* OR DAILY PRICE IF LOWER

The Managers reserve the right to close the offer if the price rises by more than 25%.

Income Units 54.1p Accumulation Units 73.3p

APPLICATION FORM

To Lawson Securities Ltd FREEPOST, Edinburgh EH2 2OB (no stamp required or Tel: 031-226 3911 15 pence + 24-hour Answerphone Service)

I enclose a remittance payable to Lawson Securities Limited to be invested in units of Lawson High Yield Fund, backdated to the date of application.

For accumulation units mark For share units mark

For share exchange details please mark

For forward without obligation details of your services.

Name _____

Address _____

Tel No. _____

FT-12

MATRIMONY is an expensive business. These days, fortunately, it's an expense which is generally shared by both parties to the contract. But the struggle to set up house, in particular, is likely to leave even a respectable point income quite painfully stretched for a while. That being the case, it's a first rate opportunity for anyone thinking of giving money to one or other of the couple, sooner or later, to get on with it there's a very strong likelihood that under such circumstances the gift will be put to very good use.

Exemptions under the capital transfer tax legislation permit just such acts of benevolence, with each parent allowed to give their child up to £5,000 free of any liability to CTT. Grandparents or great-grandparents can give up to £2,500 apiece (as can each party to the marriage), and other people up to £1,000.

Any such donation would be tax exempt in financial terms.

We make a handsome addition to

the husband, who must pay tax in question are high-powered you have ever been before, and

on it. Couples who object to high earners, there is big more affluent than, once you

such remnants of a patriarchal potential in this for tax savings have started a family, you will

society may, however, apply to be separately assessed—in which

relatively little in the way of

reliefs. But if their joint taxable

income is relatively low, it may

not be worth sacrificing

£500 in allowances (the differ-

ence between the married and

the single personal allowance)

which separate election entails.

Working out whether it's worth

your while or not is simply a

matter of settling down with a

calculator for 20 minutes, to see

if you're paying more assessed

separately or together. Any

high-powered couple should be

able to manage it.

IF YOU BELONG to such a

high-powered couple, have all that much in the way of

arranged your house purchase

and paid off your short-term

debits, you have an interesting

prospect immediately before

Babies don't always arrive in

the best of ways, so it's

best to have a back-

eligibility for tax relief: and you

can look forward to a cash

bonus at the end of the period

—though that's not to be taken

too seriously, it isn't likely to

be worth much at the end of

25 years.

It is possible to go for with-profit endowment policies on a larger scale, building up towards

what looks like a really worth-

while sum at the end of the

period. But time and price rises

are likely to make it look much

less worthwhile by the time you

get there: and it will cost you

a lot more in the meantime.

Finally, a word of warning:

The cost of both repayment

and endowment mortgages varies

according to the building society

and insurance company you use:

so shop around. And remember

that all the sums will alter

should building society rates

change again. With a repayment

mortgage you can generally ex-

tend the period of your loan

should interest rates rise: with

an endowment policy you can-

not. In either case you need to

be confident that your income

will rise—or build a margin

into your cash flow calculations.

market research project ever undertaken—has already cost more, in fact: £600,000 has gone into it already.

The Index panel—AGB is

aiming for 11,500 members,

including 1,500 home movers

and newly weds (groups which

are going in for a radical change

in their buying habits)—will

keep a diary and fill in question-

naires, recording all payments

and purchases of more than £3.

They will use codes to describe

on what the money was spent,

how much was spent, to

whom it was paid and by

what means. But the panel

members won't just be reveal-

ing their spending on consumer

goods. They'll also reveal infor-

mation on, for example,

mortgages, all forms of personal

insurance, credit card facil-

ties and savings.

The service is intended in the

first place for clients such as

banks and credit card com-

panies, prepared to pay some

£2,000 a year for the privilege

of knowing what the public is

doing with its money. But in

addition there are potential

clients among the building soci-

eties, holiday and travel firms,

and all the manufacturers and

retailers of consumer goods.

The first results of the survey

should be coming through by

the middle of the year.

ARNOLD KRANSORFF

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Vinding up delays

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The period which has elapsed is by no means too long if the latter is other than a straightforward small estate. Clearing

the tax liabilities alone is likely to take much longer. Your best course is to maintain a constant pressure for both information and action. We doubt if you would be well advised to have recourse to the Court (an Administration Action) until a much longer time has elapsed.

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I propose giving her a quarterly allowance by way of a deed of covenant, deducting tax therefrom, and paying the Loney into an external account she holds in a U.K. bank. She has no other income from the U.K. Can she reclaim the tax deducted?

We take it that you are aware of the procedure for applying for Bank of England permission to execute a deed of covenant in favour of a relative living outside the Scheduled Territories. If not, you should consult your bank.

You do not give us any idea of the figures involved, but it seems pretty clear that (at present) your daughter will be liable for basic rate tax on the covenanted payments, so that she will have neither a liability

nor a repayment—barring late of your and your wife's shares changes in basic rate in future as a minority holding. Although Capital Transfer Tax would fall to be paid on a valuation of the 1,001 shares as a majority shareholding, thereafter a transfer in its present (thrice amended) form, it looks as though your daughter might be retrospectively exempted from U.K. tax on the covenanted payments by article 22. If you are interested, you will find copies of both the 1948 and the 1975 U.S./U.K. conventions (as amended) in our public reference library, for example, volume F of Simon's Taxes (ISBN 0 406 06866 6).

Shareholdings of relatives

I and my son each hold 3,000 £1 shares in a private company. My wife holds 1,000 £1 shares. 1,000 £1 shares have not been distributed. Would the Inland Revenue consider the shareholding of my wife and myself as giving me personally controlling interest in the event of my death or transfer to my son during my lifetime?

If not, you should consult the custom of the profession in the relevant district or on implied authority.

Auctioneers and principal

I have seen a case reported in the local paper where an auctioneer allowed goods bought at an auction to be removed and for the cheque in payment for the goods subsequently to be dishonest.

Would it not be up to the auctioneer to make up for the loss of his principal?

The liabilities as between the auctioneer and his principal would be governed by the terms of the contract between them. We cannot offer any general observation as to what these might be. In the absence of any contractual term the issue might have to be decided on the custom of the profession in the relevant district or on implied authority.

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Insurance

Index-linked cover for homes

BY JOHN PHILIP

MOST INSURERS providing household cover have spent the last year actively encouraging policyholders first of all to get their sums insured adequate both for buildings and contents, and then to get them index linked, to avoid the need for constant annual revision.

But often the practical effect of index linking seems still not to be clearly understood, while quite a number of people confess themselves wary of committing themselves to subsequent premium increases of incalculable amounts. So, this week a quick look at how the majority of insurers are applying index linking to home insurance.

The most commonly used indices are the Housing Cost Index prepared by the Royal Institution of Chartered Surveyors and the Durable Household Goods Section of the Retail Price Index. Insurers link buildings sums insured to the former, contents sums insured to the latter. The movement of each index is recorded month by month throughout the year, respectively, in the magazine "Building" and in the Department of Employment Gazette. And these records show that in the period February 1977 to January 1978 the buildings index had moved up by 10.75 per cent. and the contents index by 14.80 per cent.

But during the year the index linked policyholder will not have to pay any extra premium while his sums insured move forward in step with inflation: nor does he have to pay any extra premium in retrospect.

Premium is still calculated in relation to the then sum insured at the start of the insurance year.

The month by month movement of the appropriate index controls the maximum sum insured, and so provides a moving financial ceiling to insurers' liability, which for a total loss will be greater by the appropriate percentage the later in the year the claim occurs.

Incidentally it is only in the relatively short term that the movement of the buildings index has fallen behind that of the contents index: usually they keep pace with one another or the index linking facility—for the buildings index is ahead: taking December 31, 1977, as our starting point, by November last year the buildings index was standing at 181 and the contents index at 175. So if you have avoided revising your

home sums insured for the last four years, and moreover still at the time of loss then the sum insured is inadequate at about 10%, and having wish to avoid index linking, policyholder has to make his own contribution proportionate to that degree of under-insurance.

As I said earlier, some people are wary of committing themselves via index linking to future premium increases of unknown size: but unpalatable as it may be, the faster inflation runs, the more important it is that adequate sums insured are maintained—and an inevitable consequence is the requirement of ever increasing premiums.

Over the last few years we have all become thoroughly accustomed to frequent rounds of motor insurance rating increases: if each year's motor renewal is less than 15 per cent up on the previous year's it is a cause for comment and self congratulation. What we have to recognise is that the annual cost of our home insurances must rise in much the same way, and for the same basic reason, inflation.

In theory it is always possible for the index linked policyholder to go to his insurers at renewal and ask them to cancel the index linking facility—for no insurer yet makes index linking obligatory. But what insurers may now do, in practice, is to require the policyholder to have his policy endorsed with what they call a condition of average—so that

Education

A new order of priorities

ANY ENTERPRISE which annually spends more than £7bn. has well over half a million employees, and deals with about 9m. customers in 30,000 establishments must reasonably and rightly expect wide public interest in its activities. So professional educators—and I as a former secondary-school head still count myself among them—can sensibly resent the questions which the lay public have been asking over the 15 months since the Prime Minister initiated the great educational debate.

The primary question is, of course, what are the schools for—what should they teach, and who should decide? And we professionals have certainly not lacked general advice on this topic.

We are told that in addition to a "core" curriculum of numeracy, literacy, science and a foreign language, schools should teach the basics of road safety; elementary law; problems of the environment; preparation for parenthood; sex education; consumer affairs; and politics, among other "essentials". All these are worthwhile aims.

To take but one example, the school-leaver has usually an alarming ignorance of political affairs, and no less a body than the TUC has pinpointed the truth that most young people leave school politically and economically illiterate. But as with all the other admirable suggestions, questions remain unanswered. First, where do we find the teachers? Only one university department of education has appropriate specialist staff, the contribution of the colleges of education in this field is minimal, and, as far as I am aware, no local authority has appointed a special adviser

need of training for a different expertise.

Equally important is the question of definition. What do we mean by mathematics? What relative emphasis in "English" do we place on syntax, poetry, use of language, reasoning power, and so on?

I believe that the eventual outcome of the debate will be that schools are forced to accept the idea of a core curriculum, which incorporate an agreed syllabus for literacy, numeracy, science, physical and moral education, and probably a foreign language. In addition, it is becoming imperative that schools and

every child will undergo some craft and aesthetic education.

With good will, none of this

should present insuperable difficulties. But it must be realised that the common core will occupy at least 60 per cent. of the timetable. The problem will be how best to utilise the remaining two fifths, given a very wide variety of other claims among the pupils.

It is beyond the teaching profession to achieve this without practical help, as distinct from fine words and governmental tinkering with administrative machinery, from the other sectors of the community concerned. And it is even farther beyond teachers' ability to meet what could well be the most threatening development on the horizon—the signs of the growth of a permanent pool of unemployed people.

Already it is very hard indeed to find employment for the subnormal child. It now seems inevitable that as the automation of work increases, the scarcity of job opportunities will extend to affect more and more of the less academically able pupils. As things are,

schooling has very little hold on the interests of many thousands of this group. Often, in my experience they would not bother about the Three Rs unless these could be seen as a help towards paying for the Three Bs—beer, bikes and birds.

So if our society is going to move to a position where a job, far from being a right, is a privilege, society needs to help the education profession to devise curricula which match the needs of those who no longer have work prospects to motivate them.

THORNTON PEARN

Coins

IN THE history of the applied arts there has probably never been a family to equal the Wyons. Since Peter George Wyon came over to the Mint in the reign of George II, to work as a silver chaser, engraver and medallist, 17 members of this remarkable family have worked as engravers, sculptors and medallists. The late Allan Gardiner Wyon (1882-1962) was a sixth generation artist in the numismatic field and I should be interested to learn whether any of his descendants are now working on this tradition.

Pistrucci is best remembered for his superb St. George and the Dragon reverse. Used originally for the sovereign and crown, it was not very popular in the 1820s and was dropped in favour of armorial designs. It was not revived till the 1870s and has since graced the reverse of most of the silver crowns as well as the gold coins. Pistrucci had been verbally promised the job of Chief Engraver after Thomas Wyon's death but the Statute of Limitations barred aliens from holding this post. The Master of the Mint got round this problem by leaving the post vacant and paying Pistrucci the handsome salary of £500 a year as a kind of freelance. Much of the actual work of Chief Engraver actually devolved on William Wyon, a cousin of Thomas II, who had moved from Birmingham to London about 1812. He was even more of a child prodigy than his cousin, winning gold medals in the Royal Society of Arts in 1810 and 1811. In the latter year he was appointed Probationer Engraver at the Royal Mint and produced the Engraver in 1815 William Wyon's work, notably the Guildhall Medal of 1838 bearing the profile of the youthful Victoria which was subsequently adapted

for the effigy on all British postage stamps from 1840 to 1901. Wyon himself engraved the dies for the embossed stamps of 1847 and his initials W.W. appear at the base of Queen's profile.

But it is in the coinage of William IV and Queen Victoria that William Wyon's genius as an artist and skill as a craftsman are best exemplified. The warmly human portrait of the bluff, old soldiering and the spirited profile of the girl-queen rank among the finest portraits that ever graced British coins. His reverse designs often injected new life into hackneyed themes, such as the seated Britannia of the pennies. He was also responsible for the beautiful "Gothic" coinage of the late 1840s, reflecting the early Victorian fashion for medievalism.

Probably his finest design of all was that engraved for the reverse of a proposed £5 gold piece in 1839, showing the young Queen, as Una, leading the British Lion. This may be seen as a delicate allusion to his old rival's St. George and the Dragon. The £5 coin never got into general circulation and is regarded only as a pattern. A fine proof example of the Una and Lion £5 is one of the highlights of Glendinning's sale of English and Foreign Coins on Wednesday, February 1. Patterns or trial pieces are, of course, of immense interest to numismatists as examples of what might have been and one often forms the impression that they are more attractive than the issued coins.

JAMES MACKAY

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Y. OUR LEGAL STAFF

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Secondly, how do we, in the schools, find space in a time-table in most cases already over-loaded? With knowledge increasing exponentially, one of the greatest problems in education is not so much what to put in as what to leave out.

Moreover in most teachers there is an understandable academic inertia which inhibits enthusiastic acceptance of the new curriculum.

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should present insuperable difficulties. But it must be realised that the common core will occupy at least 60 per cent. of the timetable. The problem will be how best to utilise the remaining two fifths, given a very wide variety of other claims among the pupils.

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Motoring

Junior
Rovers

BY STUART MARSHALL

IN the past 18 months the cost of a Rover 3500 has climbed from the original £4,750 to £6,800, thus putting it out of reach of many a company manager limited by a company policy to a £5,000 motor-car.

Even the cheapest six-cylinder Rover costs well over £5,000. Still, company car price limits have also risen of late and at least the 2300 and 2600 Rover pass under the £6,000 barrier.

In this cash bracket the would-be Rover-owning executive has a choice. He can have a 2300 with extras like power steering, automatic transmission or a five-speed gearbox; or a power-steered manual 2600 which has five speeds as standard.

When he would take delivery is another question. My local Rover dealer in Kent (part of a large national group) has not yet seen a 2300. When it was introduced at Motorfair last October, he was told his first batch would come "in the New Year." He still doesn't know when. A 2600 would be easier, with delivery in 6-8 weeks if a buyer was not too fussy about colour or specification. (For a 3500 he is quoting eight months minimum and is now taking as many cancellations as orders.)

It is a scandal and a tragedy that these cars are only coming off the assembly line in penny packets instead of the planned quantities that would have let them cut the ground from beneath their imported rivals' feet.

The £30m. Solihull assembly



THE ROVER 3500. PHOTOGRAPH BY STEPHEN DUNN

plant was built specifically to be certain of missing the gate to the new Rovers. Though post, it pays to stick your head out of the best car plants in the world from management and labour's viewpoint alike, it is producing a trickle not a flood, of cars for which the market is hungry. Yet only this week Leyland shop stewards told their new boss, Michael Edwards, that he ought to be planning to expand car sales aggressively instead of contemplating redundancies. It's a suggestion few people waiting for Rovers would sympathise with.

However, assuming that some of the people who have Rover 2300s on order will actually get them soon, what kind of car will they find themselves driving? If the automatic power-steering 2300 with tinted windows I have been driving for the past week is anything to go by, the answer is an elegant, well mannered hatchback with good if not outstanding performance and reasonable fuel economy.

Outwardly, there is nothing to distinguish the 2300 from 2600 from the top of the line 3500 except badging and wheel design. Acceleration is adequate rather than exhilarating, but the transmission is super-smooth and will reach 40 mph in low and 70 mph in middle if the accelerator is floored. Driving with some regard for economy, I obtained 24 mpg. Top speed is around 100 mph.

Though the 2300 is considerably lower geared than the 3500, it is not mechanically fussy on the motorway though there is more wind noise (apparently from the door mirror, radio aerial and wiper arms) than there should be.

The power assisted steering is light and direct and the Rover handles sensitively. It is an easy car to manoeuvre into confined spaces providing you can see where you are going. Like most wedge-shaped cars, it has rear visibility restricted by the high parcel shelf. At night, rain-drops on the sloping hatchback window make it practically opaque. If you want to back up a Volvo from the front, that can be quite a plus.

With its automatic transmission, power steering and tinted glass, the car I drove would cost a total £5,919. The radio, with twin speakers in the doors, is part of the standard package. That sort of money will buy quite a few executive cars like the Ford Granada 2.8, Renault 30TS or Audi 100 GLS, though not necessarily with automatic transmission. But the Rover, by any standards a desirable and enjoyable car to drive, does have one special advantage. No-one will ever mistake it for anything but a Rover. Now that even Ford people can mistake a Cortina in the high parcel shelf, an Opel Rekord looks uncommonly like him and in the Australian Open where he lost in five sets to the world No. 5 Vitas Gerulaitis, world's top ten and also the

BY BEN WRIGHT

EASILY THE most pleasing aspect of the thrilling finish to the rain delayed Phoenix Open at sodden Phoenix Country Club last Monday, was that Arnold Palmer so nearly won it. In fact victory was in the palm of his hand but eventually it was his chipping rather than his perniciously suspect putting that prevented him from recording his first victory on native soil since early 1973.

Although the 2300 lacks the self-leveling suspension of the 3500, it rides well on highways. On bumpy secondary roads a certain lumpiness reminds you that the rear axle is not independently sprung. For ride comfort, especially in the back seats, the Rover is inferior to the Renault 20TS, for example, or a Peugeot 504. It is spacious enough as a five-seater and has massive luggage room, but I think the Rover has more appeal as a driver's than a passenger's car.

The driving position is admirable, with good instrumentation, push button switches and warning lights for everything from seat belts undone to choke left out. The heating/ventilation is powerful, keeps the side windows demisted and has the kind of controls you can understand at a glance. The old Rover 2000 was so cramped for the front passenger that a heavily built man of my acquaintance once likened getting in to trying to put both feet down in the same trousered leg. The 2300 is nothing like that, but it is more restricting than, say, an Audi 100, which doesn't have so big a centre console or underscuff glovebox.

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Travel

Choose and cruise

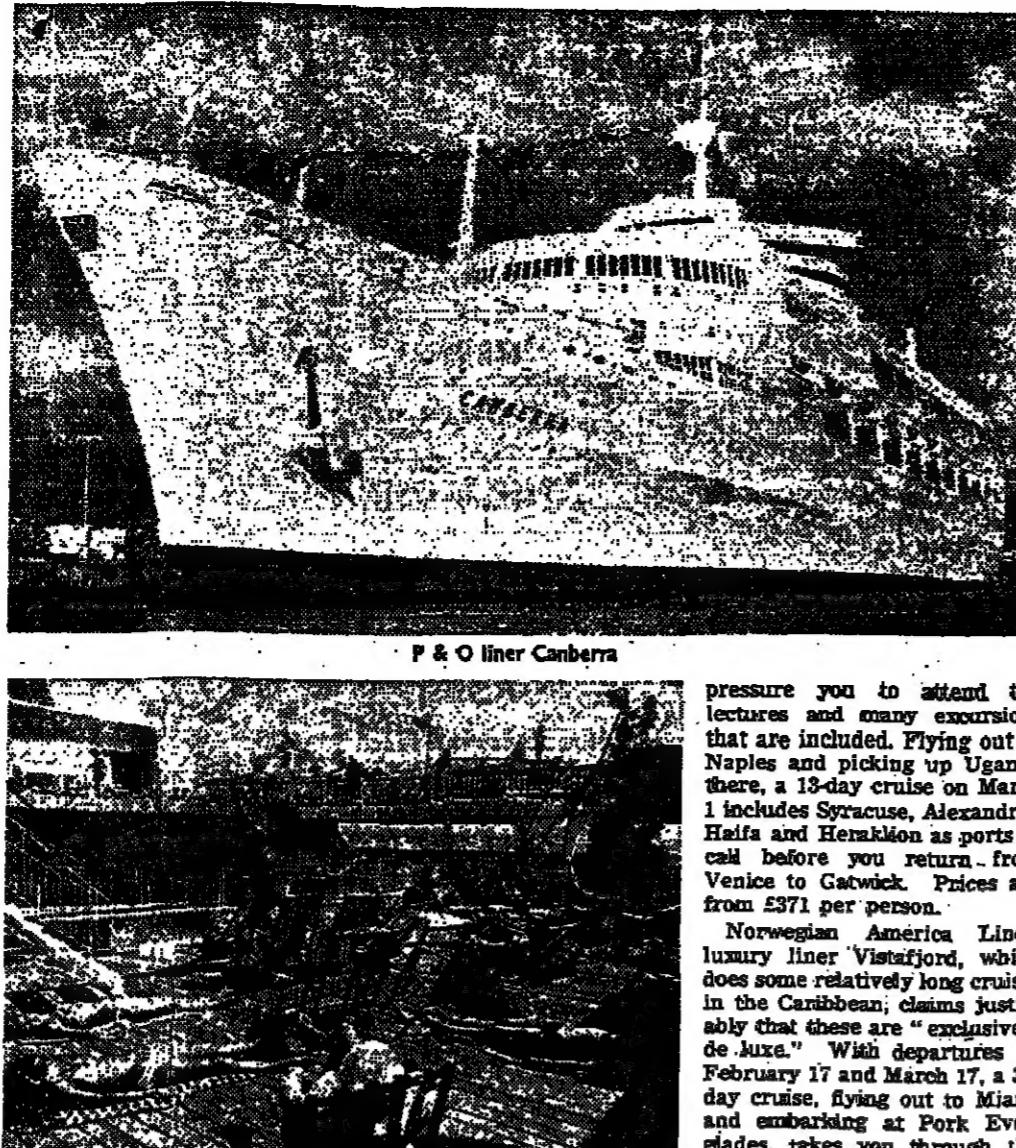
Y PAUL MARTIN

THE CRUISE market has remained relatively buoyant in recent years and, with a feeling that we are now steering a slimmer economic course, the options are all there for you to choose. There have, of course, always been the regulars who are never happier than when in boardship. They have done it so often that they know the characteristics of each ship and, after surviving that first reacquaintance glimpse of the Bay of Naples, they now no longer bother to go ashore.

The choice of a first cruise may provide an introduction to a way of life that will set your holiday pattern for years to come. However, when you consider the almost endless permutations—the straightforward sea voyage from a U.K. port, cruise-and-stay arrangements and fly-cruises, picking up the ship in the Mediterranean or the Caribbean—it really is worth deciding in advance whether you want to spend the majority of your time at sea or, as in the Aegean, hop from one entrancing island to another overnight in the virtual certainty that your days will be filled with sunshine and interest.

I have mixed feelings on the subject of the conventional and the fly-cruise. A self-confessed poor sailor would be well advised to give the Bay of Biscay a miss and opt for a fly-cruise. Even so, I still feel that the three days spent in reaching warmer weather are part of what it is all about and provide the true flavour of cruising.

A mini-cruise is a relatively inexpensive way of finding out whether this is your way of life and Fred Olsen/Bergen Line, with one of the few true mini-cruises still operating, has recently announced a new low fare of £49.50 for the remainder of this month and early February for mini-cruises from Newcastle to ports in western and southern Norway. Departures are on Mondays and Thursdays. Meals, including a sumptuous Norwegian cold table, are included and the three or four day trip offers a quick way of trying out your sea legs.



P&O liner Canberra

Fred Olsen continues to operate Blenheim on the regular run from Milwall down to Madeira and the Canaries until May 11, and, trying out a fly-cruise arrangement, I flew out to Madeira with TAP and spent a couple of days there before returning home by sea, incidentally through a miraculously calm Bay of Biscay. The food was superb and I thoroughly enjoyed three days of cruising at its best. The minimum fare is £270 and, with a high level of repeat bookings, discounts are available to members of their Winter Cruise Club.

If cruise fares seem high, they always include a good many items that you would normally pay as extras on a holiday ashore. Forget all about diets as you will be tempted with food for at least sixteen hours a day. Early morning tea, elevenses, coffee after lunch and dinner, afternoon tea and a late night snack assure the well-being of the inner person.

P&O are a great English tradition and, operating an open-class system, fares are graded according to the location of your cabin. Everyone enjoys the complete run of the ship. Incidentally P&O list no less than 36 items that would elsewhere involve dipping your hand in your pocket.

All the old cruising magic comes back when, in the early evening, Canberra or Oriana pull away from the quayside and Madeira on October 2. Prices and cruises majestically down Southampton Water. There are reductions on some early season departures and a 14-day cruise, taking in Corfu, Dubrovnik, Naples, Tarragona and Gibraltar and leaving on April 16, starts at £325.

Their sister company, running the long-established BI Discovery Cruises, enables you to get the very most out of your holiday with a detailed introduction by a specialist to each port of call. Although these are educational cruises, no one will

be asked to pay extra.

The choice is almost limitless and, in addition to those I have mentioned, I have given the addresses of some other cruise companies which will gladly provide full information on request.

ADDRESSES:

Costa Line Cruises Ltd, 16, Maddox Street, London W1R 9PL

CTC Lines, 1-3, Lower Regent Street, London SW1 4NN

Cunard Leisure, 8, Berkeley Street, London W1X 6NR

Fred Olsen/Bergen Line (North Sea and Canary Islands) 299, Regent Street, London W1R 8AP

Keith Prosser Travel Ltd, 74, Old Brompton Road, London SW7 3LH

Norwegian America Line, 11, Quadrant Arcade, Regent Street, London W1R 6EJ

Pauget Cruises, c/o UTA Ltd, 177, Piccadilly, London W1V 0LX

P & O/B/I Discovery Cruises, Beaumont House, St. Botolph Street, London EC3A 7DX

Royal Viking Line, Kayser House, 24, St. Mary Axe, London EC3A 8BP

TAP, Gillingham House, Gillingham Street, London SW1V 1JW

Yacht Charter, 10, Grosvenor Gardens, London SW1

How to spend it

Piece
prizes

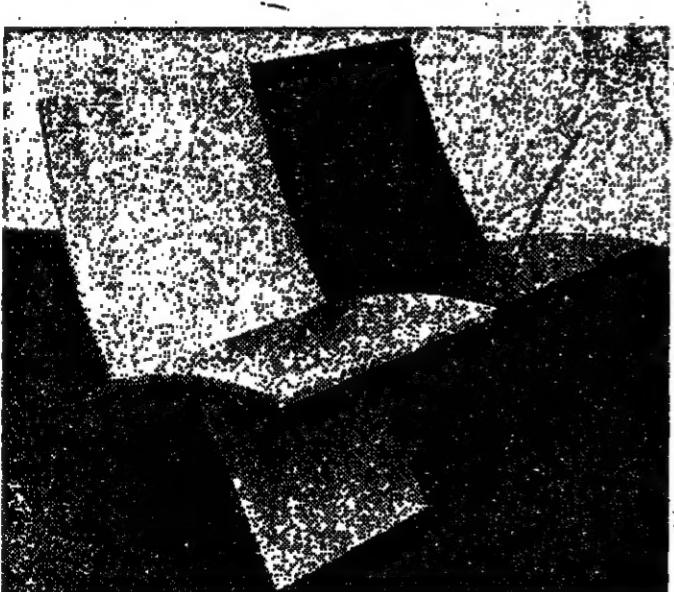
THIS year for the first time the International Furniture Show was held at the National Exhibition Centre in Birmingham and a very fine setting for the furniture it turned out to be. The Furniture Show, as some readers may know, is the major exhibition at which trade and public may see the vast range of (mostly) middle-of-the-road furniture that will later be in shops up and down the country. Everywhere else you see the retailer's edited version of manufacturers' products—at the exhibition you could have seen the full range of the exhibitors' manufacturers' designs.

I was once again asked to help judge the Showpiece of the Year awards and a wonderfully interesting exercise it always turns out to be. One can never fully explain why manufacturers seem to have gone a bundle on bedding, another year on cabin furniture and yet another year, like this one, on seating units.

There were more entries for the annual awards than ever before with about 50 per cent more manufacturers competing than in any previous year. I felt that all the prize winners were very worthy winners, each of them had something special to recommend it—whether it was practicality, workmanship, value for money or design—but I regretted the lack of any designs quite as distinctive as, for instance, McIntosh's Cranston Collection from last year.

In all, the new venue at Birmingham seems to have accounted a big success and it certainly is a splendid site, made very easy to visit by the ease of the rail journey and the fact that the platform of the station leads directly into the exhibition halls.

From the manufacturers' point of view it was success, too. McIntosh, for instance, did in one day the sort of business that they did at the whole of last year's show, while William Tillman (who, for the third year running, has won an award for one of his impeccably-made reproduction



THE JUDGES were all unanimous in liking this chair from the Danish firm of Falster Form—even those who had previously shown a greater inclination towards the strictly traditional were impressed by the simplicity of the idea, the fine finish of the wood and the practicality of the design. Our verdict was further endorsed by the trade who went on to order some 12,000 chairs in the first 36 hours after the exhibition opened.

The chair is obviously designed for occasional use (not for slumping right in front of the television set) and it is made from two pieces of curved wood which lock together very simply and very firmly with no screws

or glue. To dismantle the chair for easy storage you simply separate the two pieces of wood, which then take up so little space they can be stored behind a door or in a cupboard.

I liked the chair best in the stained rosewood finish (this seemed to give it a great distinction), but there is a natural beech finish as well. In all it measures 56 cm in width, 74 cm in depth and is 79 cm high.

Though it is unupholstered it is surprisingly comfortable because it has a very low back and just the right way.

The suggested retail price is £35 and for local stockists you should write to: Michael Carr-Jones, Albard House, Verney Road, London S.E.16.

net-makers were very ingenious at providing answers to the problem—most people have seen the semi-circular steps attached to a central pole which comprise the usual library steps but even neater were the steps that were contained within what looked like a slim pipe which opened out to reveal a ladder structure of great strength and flexibility.

A modern ingenious design is shown photographed on the left. Made from moulded ABS plastic and duraluminium, when not in use this ladder folds away flat like a book. It rejoices in the name of Scaico, weighs just over 13 lbs and the steps may be in either red or white while the frame is of duraluminium. We show the steps ready for use but when you want to fold it away the supporting struts fit into grooves behind the steps and then the entire ladder can be folded in half vertically to occupy a space of 20 cm in width, 132 cm in height and 8 cm in depth.

The ladder is currently on show at the Museum of Modern Art in New York and is being imported from the Italian firm of Velca by Victor R. Mann, Unit 3, Mitcham Industrial Estate, 85 Streatham Road, Mitcham, Surrey.

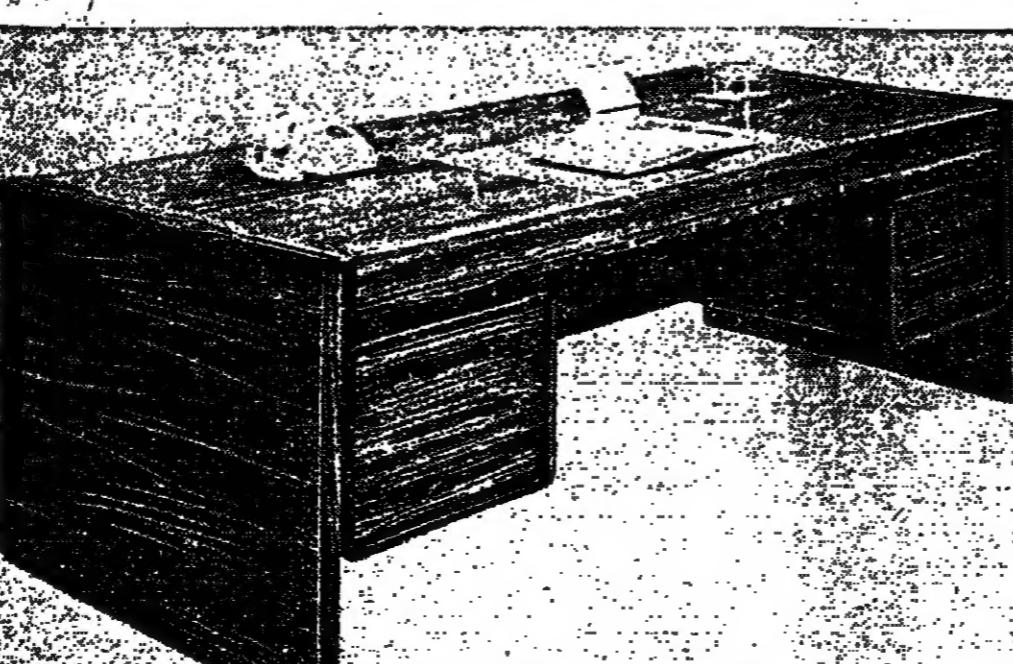
The ladder sells for about £56

and is on sale at Forma Interiors, 159 Upper Richmond Road, London SW15. For other stockists write to: Victor R. Mann at the above address.

FOR SOME reason the nominations for the award were very few and far between. The judges were unanimous in their verdict that the best was the Scaico ladder, which was a great success in that they run base, if made with a fitted

bed seemed to arouse much discussion among the judges. I was one of those firmly in its favour, simply because having once had to try and furnish a minute room for a child I could see at once how a bed like this would be just the right way.

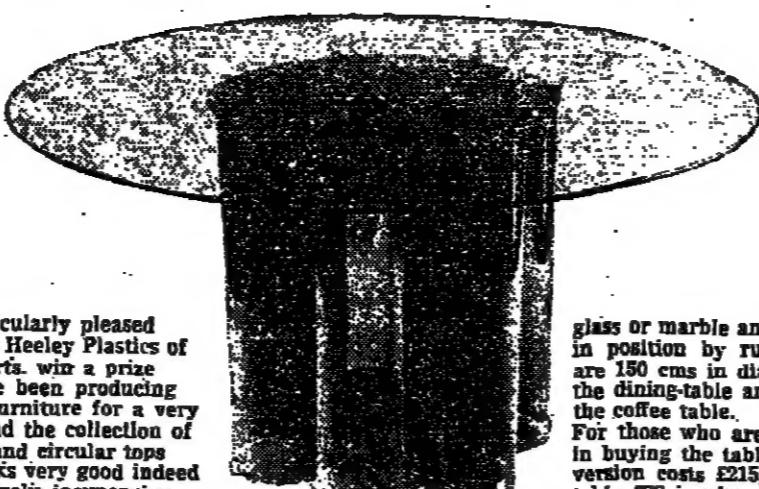
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I CAN'T think of many employers who would be prepared to provide their staff with a desk as magnificent as this but I certainly would be. The supreme status symbol for the successful executive who's made it to the very top. Not only is it marvellous to look at (the dark solid rosewood gives it great elegance) but it is eminently practical as well. There are three lockable drawers just below the working top while on the left

there is a three-drawer cabinet high (£1,485) it is made from solid wood, either rosewood or stained black ash, which is a great rarity in these days of veneers.

This is one of two Danish designs to win an award (the other being the slot-together wooden chairs) and though its origin is fairly apparent it has a generosity of line, an amplitude of style, and a finish that I don't always associate with Danish design. You market. Any reader interested in this should contact Turberville Smith (the whose showroom desk will be displayed) at 16 Hay Hill, London, W.1.



glass or marble and are held in position by rubber pads, are 150 cms in diameter for the dining-table and 100 cms for the coffee-table.

For those who are interested in buying the table the dining version costs £215, the coffee table £75 in glass. For marble add on another 20 per cent.

Heal's of 196, Tottenham Court Road, London, W.1 will have it in mid-February but write to Banks Heeley for local outlets, at 33-35, Brook Road, Ealing, London, W.5.

The table-tops, which may be in

by Lucia van der Post



Wool makes its mark

A STUNNING new knitting book comes out this week. I'm not usually much inspired by knitting patterns as they are usually for that sort of serviceable garment that one can buy so easily and inexpensively in most of our good chain stores. However, knitwear has now become such an important part of the fashion scene and the garments that are in fashion have become so highly priced (Italian and French knitwear with the really up-to-date look have price tags that seldom drop below £20, frequently are around the £40 mark and occasionally go up to £100) that a knitting book of really up-to-date designs must be a good investment for those of you who can and do knit.

Many of you may have noticed that rather fragile, lacey-looking knitwear is back in fashion but most ordinary knitting patterns do not reflect this. It is also difficult to find patterns of really attractive jackets and coats. The new booklet, Knit One in Wool, produced by the International Wool Secretariat and the 13 spinners who make up the British Hand Knitting Association, puts all this right.

There are 44 knitting patterns and nearly all of them are, I think, lovely. There are some of the lacey-looking sweaters and cardigans. There's a Fair-Isle V-neck sleeveless sweater for men (which is, of course, just the sort that many women would love to have but which is very, very expensive in the shops).

I particularly like this hooded long jacket—the International Wool Secretariat had it knitted up in a lovely speckly soft greyish-blue colour in which it looks marvellous. There's



a very fashionable long-line sweater (the sort that, on the very young, can be worn with thick tights and turned into a dress) as well as some nice thick-knit cover-up sweaters.

The photographs, incidentally, are lovely and were taken by Brian Duffy.

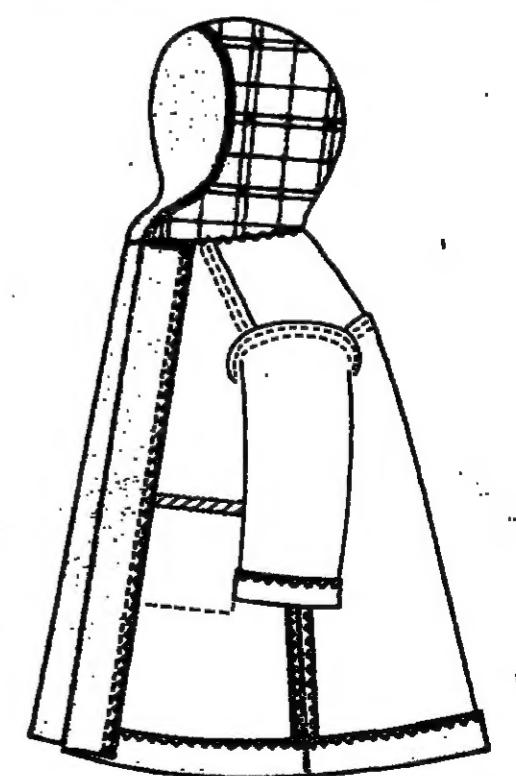
All the designs are by Erika Hardison, all are in pure new wool or wool rich yarns and some are in the machine-washable wool, Superwash.

The book sells for 75p and can be found in hand knitting yarn shops and department stores now. If you have trouble finding it you can buy it direct from: International Wool Secretariat, Wool House, Carlton Gardens, London, S.W.1. Send 97p which is the purchase price of 75p, plus 22p p. & p.

Sew simple

FOR THOSE who prefer to sew, or have to sew because it's the best and cheapest way to clothe their children, the BBC is launching a new series called Children's Wardrobe, designed to show viewers just how to set about making children's clothes themselves. To go with the series there is an excellent book called simply Children's Wardrobe, which may be bought direct from BBC Publications for £2.50.

The book itself has considerable validity all on its own. It has been written and edited by Ann Ladbury and has beautifully clear and simple photographs and sketches (the sketch of the duffle coat, right, is typical). Included in a flap at the end are patterns for all 39 designs. Sally Tuffin, a very good and well-known dress designer, has been responsible for all the designs, which vary from the immensely practical (like the pretty quilted dressing gown and duffle coat) to the trendy (like the quilted Chinese-style jacket and flowered tiered pinshape and matching blouse). Though the book is worth buying on its own merits, if I were going to be at home for the ten programmes, which are on Mondays on BBC 2 at 19.05, starting from February 13, I would certainly watch them as well.



Long life bulbs

MOST people by now know that British Home Stores is an excellent source of well-designed, good-looking lighting. In the current furore over the unwillingness of many retailers to nothing did happen to the stock Double Life Light Bulbs it is now considerably depleted. However, worry

ing about it was sufficient to make me realise that all freezers should (a) take out some kind of insurance policy and (b) have a device which warns them if there is something wrong.

Yale Security Products have just brought out a freezer alarm which becomes activated if the temperature rises above minus 10 degrees C (14 F). It is a small gadget, operated by batteries which you fix to the outside of your freezer. It uses a PPS battery which should last for at least six months. If the temperature rises above minus 10 degrees C (14 F), an alarm begins to sound at which point you either take out some space in a neighbour's supplies that I first began to deep-freezer or persuade a willing electrician to come and deal with it.

TO-DAY AT 150 CUT-PRICE WINE SHOPS



Property

Catching the habit

BY JOE RENNISON

IF YOU ARE, as I am, a married man than that a Sole Male would house-owner but still a devout choose—and naturally the Sole Male would choose one more expensive than the Sole Female and she would of course pay considerably more than the two (presumably joint income) Joint Others. There is approximately a £1,000 gap between each category.

It is still—as the good Lord always intended it—a man's world. It is nice to know that our superiority—and what greater measure of superiority can there be than in the ability to buy a house—has been recognised by A BUILDING SOCIETY, one of the chief props of the conspicuous consumer society?

The Abbey decided to produce a publication showing the house price averages over the country and who was buying what. Unfortunately, at the same time they have blown the gaff on what could be interpreted as their, or other societies', lending priorities. While these will no doubt be endorsed as a whole by the male population, it could lead to nasty scenes outside many an Abbey office.

The Abbey has broken down the house-buying population into four classes of citizen. Like the Almighty, the Abbey created them thus—Class 1 Married, Class 2 Sole Male, Class 3 Sole Female; Class 4 is something the Abbey describes as "Joint Other." You are free to speculate on what this means.

You will see from the Table that the price of the houses bought by the four categories go in descending order. The poor Joint Others come nowhere in the cost of this status symbol.

Now it could be true that a married couple always choose a house that is more expensive through the bond of matri-



mony? Do people have to Joint Others was rather glossed over with arguments that there could be two or more couples who feature in so many ways of making any detailed analysis. Groupies mortgages, nevertheless, are obviously considerably smaller than the average.

Perhaps I am just cynical but the whole thing just does not ring true. While not doubting the abilities of the compilers of such a price indicator, I feel they could be reflecting the habits over lending policy of their many branch managers—which taken all together result in the kind of pattern I have suggested. I hope I am proved wrong.

In this first edition of *Homes People, Prices and Places*, the Abbey does a breakdown of the kind of people buying certain types of property. The trends are interesting. The buying habits of first-time buyers and existing owner-occupiers are in marked contrast. First-time buyers account for 77 per cent of flats and 71 per cent of terraced houses, owner-occupiers those other categories. This is account for 63 per cent of bungalows and 79 per cent of detached houses. Semi-detached houses, however, are in almost exactly equal demand from the two sectors. 51 per cent of them go to first-time buyers and 49 per cent to existing owner-occupiers.

As far as the singles are concerned, Abbey argue that there is still no such thing as equality of incomes between the average male and female. Women are still a lot worse off and it is inevitable that due to comparative prices it should show up in the prices semi-detached houses (only slightly more expensive than flats) would also attract a high percentage of first time buyers. The point about the

practical advantages of the "semi" clearly retain appeal for many who have already experienced home ownership.

As far as the housing market in general goes, the opinion is that "The present active market will continue well into 1978. All types of house will be in demand. Building societies' carefully built-up liquidity should enable them to maintain a steady flow of mortgage funds and to consider a wide variety of types of property.

A notable feature will be the urban and especially the inner urban areas. With the Government, local authorities and

Two very attractive properties on offer this week through the same agent. It would be hard to make a choice between them. Savills' London office is selling Whitmoor House, near Worplesdon, Surrey (above).

Accommodation consists of five reception rooms, kitchen, six main bedrooms, five

secondary bedrooms, two guest bedrooms, six bathrooms (three en-suite) and with oil-fired central heating.

One of the features the house has to offer is a magnificent indoor heated swimming pool. The estate also includes a cottage, lodge and bungalow, garage for six and a delightful old Tudor falconry ideal for conversion (subject to planning permission). The gardens extend to about 3½ acres which are informally laid out, with a strip of woodland providing protection from the south, and there is also a tennis lawn and

walled vegetable garden. The figure anticipated is in excess of £200,000. Savills' London office have on offer King Row Farm, Shipdham, Norfolk (left). The old farmhouse with its exposed beams is fully modernised, with double-glazing and oil-fired central heating, and was redecorated in 1977. The farmhouse is set in unspoilt countryside, surrounded by agricultural land. The accommodation comprises: three reception rooms, kitchen, pantry, two store rooms, games room, cloakroom, five bedrooms, shower room, bathroom, box office, range of farm buildings, hard tennis court, pond, garden and grounds extending to just under two acres. The gardens are attractively laid out with extensive lawns, separate orchard and vegetable garden. Savills are asking for a figure of £25,000 for this attractive property, which is also licensed as breeding kennels.

building societies all concerned in inner cities. The "best buys" impact of higher fares will also bring on the restoration and the highest potential price encourage the move back to improvement of housing in the cities may come here. The town.

inner cities. The "best buys" impact of higher fares will also bring on the restoration and the highest potential price encourage the move back to improvement of housing in the cities may come here. The town.

Chess

THE CONTENTIOUS atmosphere at the end of Korchin's 10½-7½ victory over Spassky (seven wins to four, with seven draws) may be an ominous forerunner of the world title match later this year when Korchin, the Soviet ex-patriate, challenges Karpov, the USSR world champion. Spassky resigned the final game after the adjournment when much play remained, and both grandmasters pointedly avoided each other at the closing ceremony.

The danger for the championship match lies in the minutely detailed rules laid down by the World Chess Federation (FIDE) which provide many potential headaches for the organisers.

The duration is open-ended, and the title goes to the first player to win six games, draws not counting. Quite apart from a prize fund of at least \$10,000, first-class travel and accommodation for the players and their two seconds, and a venue with very specific requirements for lighting, spectator behaviour, rest rooms, and so on, the organisers are responsible for providing stumps for a miniature army of officials at the match including three arbiters from neutral countries and an "impartial jury" of seven to interpret the regulations and decide on unforeseen problems.

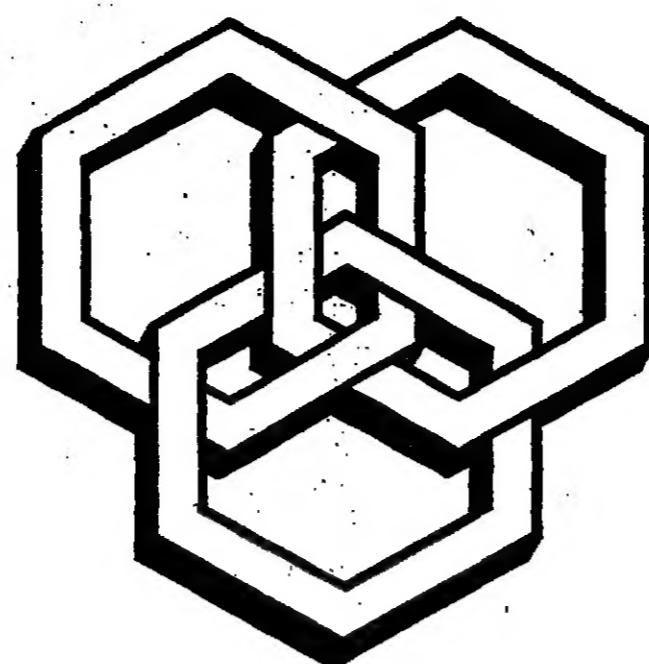
Remembering some of the happenings at Reykjavik 1972, FIDE has made exact specifications for lighting of the stage and for banning spectators who cough, whisper, eat snacks or analyse on pocket sets. In fact, many of the regulations seem to be based on Fischer's conditions

for past appearances, almost as enough to take on the burden of if FIDE was somehow hoping for this costly world title match with Bobby to make a miraculous debut its suspicious protagonists, its ex-machinae reappearance in risks of ultimata and walk-outs, and its indeterminate length?

A succession of empires It is said that Karpov would like to play in Hamburg or London, but the USSR Chess Federation may object to Hamburg. Fischer for an hour, and reported (West Germany) while there is no

match. Karpov has met Fischer in sponsor in London. Tokyo, in Spain, and possibly on a third unpublicised occasion more recently. One idea of the imprese trying to promote a

Fischer return is that there could be a tripartite championship between Karpov, Fischer and Karpov, Fischer and Reykjavik, who despite all the troubles with Fischer v Spassky are eager to play a serious game since 1972. Fischer v Spassky is eager to exchange bishops and increase his white square control, BxP: 20 KxP, N:R: 21 Q:R: 7 N:R: 10 N:Q: 22 P:Q: 11 Q:R: 9 Q:R: 12 N:K: 23 P:K: 13 R:K: 14 P:Q: 15 B:K: 16 N:R: 17 B:R: 18 N:Q: 19 R:Q: 20 P:R: 21 P:K: 22 N:R: 23 P:Q: 24 Q:R: 25 B:K: 26 N:R: 27 B:R: 28 N:K: 29 P:R: 30 P:Q: 31 K:R: 32 P:R: 33 R:R: 34 P:R: 35 R:R: 36 R:R: 37 R:R: 38 R:R: 39 R:R: 40 R:R: 41 P:K: 42 R:K: 43 R:K: 44 Q:K: 45 R:K: 46 R:K: 47 R:K: 48 R:K: 49 R:K: 50 P:R: 51 P:Q: 52 P:R: 53 P:R: 54 R:K: 55 P:R: 56 Q:K: 57 Q:R: 58 Q:R: 59 Q:R: 60 Q:R: 61 Q:R: 62 Q:R: 63 Q:R: 64 Q:R: 65 Q:R: 66 Q:R: 67 Q:R: 68 Q:R: 69 Q:R: 70 Q:R: 71 Q:R: 72 Q:R: 73 Q:R: 74 Q:R: 75 Q:R: 76 Q:R: 77 Q:R: 78 Q:R: 79 Q:R: 80 Q:R: 81 Q:R: 82 Q:R: 83 Q:R: 84 Q:R: 85 Q:R: 86 Q:R: 87 Q:R: 88 Q:R: 89 Q:R: 90 Q:R: 91 Q:R: 92 Q:R: 93 Q:R: 94 Q:R: 95 Q:R: 96 Q:R: 97 Q:R: 98 Q:R: 99 Q:R: 100 Q:R: 101 Q:R: 102 Q:R: 103 Q:R: 104 Q:R: 105 Q:R: 106 Q:R: 107 Q:R: 108 Q:R: 109 Q:R: 110 Q:R: 111 Q:R: 112 Q:R: 113 Q:R: 114 Q:R: 115 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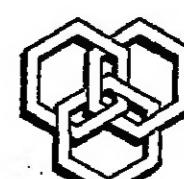
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A PLAN FOR ALL SEASONS

OVERSEAS NEWS

Ecevit gives response on direct talks with Greece

BY DAVID TONGE

MR BULENT ECEVIT, Turkey's strained ever since the U.S. think it is an anomaly that such new Prime Minister, to-day said Congress imposed an arms dialogue does not exist as, after it would be "very useful" to begin a direct high-level dialogue with Turkey's all, we are neighbours and we with Greece, but did not specify what form this should take. He was speaking the day after Greece announced that its Premier, Mr. Constantine Karmanlis, would be prepared to meet Mr. Ecevit to discuss disputes between the two countries.

Spelling out some of his Government's main priorities in an interview here to-day, Mr. Ecevit said the Administration would start taking measures to deal with the country's grave economic position at the start of next week and that it would later seek to revise Turkey's relations with the EEC.

The Prime Minister, speaking shortly before Mr. Cyrus Vance, the U.S. Secretary of State, flew into Ankara to-night, also made clear that he favoured a revision of the \$1.26bn defence co-operation agreement signed in March 1976 between the Ford Administration and the then Turkish Government of Mr. Suleyman Demirel. He will be raising this issue with Mr. Vance.

The defence relationship between the two countries has been

ANKARA, Jan. 20.

As regards the EEC, he said that Turkey would have to undertake "certain structural changes" in the economy in order to establish our relations and our cooperation with the EEC and to ensure that our future complete membership is possible."

Turning to political violence, which cost 230 lives last year, Mr. Ecevit accused the right-wing Nationalist Action Party, headed by the former Deputy Premier, Alparslan Turkes, and its supporters of being "to a large extent responsible for the situation in Turkey."

On the Cyprus question, Mr. Ecevit said that his talks with Turkish Cypriot leaders, which ended yesterday, had left him with the impression that the pro-fighters are now to put forward territorial and constitutional questions would be ready, at the latest, towards the end of February.

Asked whether he planned a meeting with the Greek Prime Minister, Mr. Ecevit said he had been encouraged to form a direct dialogue between the two neighbouring countries at a high level. That Turkish state is basically sound

and has always been my approach. I and deep rooted," he added.

Andreotti's party sets terms for talks with Communists

BY DOMINICK J. COYLE

SIG. GIULIO ANDREOTTI, Italy's Prime Minister-Designate, was to-day given a mandate by the leadership of his Christian Democratic party to try and form a new Government, but with the important proviso that Communists should not participate directly in it.

Additionally, Christian Democrat leaders want to ensure that any new Government can survive for more than a few months, since the presidential elections are due at the end of the year, and, under the constitution, Parliament may not be dissolved in the final six months of a presidency.

This bar to a parliamentary dissolution in the second half of 1978 will be an important background to the negotiations which Sig. Andreotti will start formally on Monday with the other parties, notably the Communists,

ROME, Jan. 20.

the second largest party in Parliament with 220 seats in the 536-member Chamber of Deputies. The Christian Democrats have 268.

It was the Communists who brought on the present crisis by withdrawing, together with the Socialists and the Republicans, their tacit support for the 18-month-old minority. Andreotti administration, calling instead for their own inclusion in a new emergency government.

The Christian Democrats are prepared to concede an enhanced political role to the Communists, but is equally prepared to threaten new elections if the Communists persist in demanding ministerial portfolios.

Such a threat would, of course, not be possible. If any new governing formula established now was to break down during

releasing publicly.

Sources close to Sig. Andreotti suggest that his strategy in next week's negotiations will be to try and lay the basis for an all-party agreement on a detailed economic and social programme which the Communists might then support in Parliament, although the Christian Democrats would not be seen to be asking directly for Communist support.

Privately, commissioned opinion polls are said to confirm this expectation, although no supporting data has been

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OVERSEAS NEWS

U.S. ANTI-BOYCOTT LAWS

Companies face jungle of Middle-East regulations

BY DAVID BELL

Final regulations that will bring the way in which U.S. services provided by a U.S. company in connection with a U.S.-controlled foreign subsidiary's construction project in a third country are passed through to the subsidiary's customers and as such bring the subsidiary's transaction in the third country into U.S. commerce, says the department in a controversial passage.

Information

The regulations carry forward the act unchanged in respect of information. "No information about business relationships with blacklisted persons or boycotted countries may be furnished with intent to comply with, further or support a foreign boycott. It makes no difference whether the information is publicly available. The statute creates no exceptions for such circumstances. So long as the necessary intent exists the furnishing of such information is a violation of the law."

Subsidiaries

The Export Administration Act, which covers the boycott was amended in 1977 to include the anti-boycott legislation. It says that the new law covers foreign subsidiaries of U.S. companies "controlled" by such U.S. companies. The definition of this control was left to the regulations.

These now lay down that, while it is difficult to be sure that a U.S. company that has more than 50 per cent. of a subsidiary actually controls it, the rules establish a rebuttable presumption of control where the domestic owner or controls more than 80 per cent. of the foreign subsidiary or affiliate. Further, final rules state: There is a rebuttable presumption of control where the domestic concern (U.S.) owns or controls more than 25 per cent. of the voting securities of the foreign subsidiary or affiliate and no other person owns or controls an equal or larger percentage."

The rules note that all these presumptions of control "may be rebutted by competent evidence showing that control does not in fact exist."

U.S. commerce

This covers only actions within "United States commerce" and says that U.S.-controlled subsidiaries in a boycotting country are acting "within U.S. commerce" if goods supplied to this country are used to "complete a transaction with a boycotting country."

Objectors had argued that "U.S. commerce" should end at the point at which U.S. goods reach a foreign subsidiary operating in a boycotting country. The rules reject this although they provide important exceptions (see below). The original regulations also provided that if any part of a transaction were "within U.S. commerce" that would make the whole transaction "within U.S. commerce" and thus under the purview of the regulations.

The final regulations modify this and allow the provision of "ancillary services" such as banking by U.S. companies. They say that "a foreign subsidiary's receipt of such services does not, in and of itself, bring the subsidiary's otherwise foreign transaction into U.S. commerce."

However, the final rules draw a distinction between such services as accounting, financial, legal and other services furnished to a controlled subsidiary of a U.S. company and services which are offered to a boycotting country customer.

Product identity

The Act requires that there should be no attempts by U.S. companies to conceal the origin of products they import into a boycotting country. It says that "the origin of the products must be specifically identifiable" at the time of their entry into the country. The test for such "identifiability" is whether it is "generally possible in the normal course of business for the buyer or customs agent or similar official to identify the supplier or manufacturer of a particular product or component by inspection of the product itself."

Compliance

The Act also allows a bona fide U.S. resident of a boycotting country to go along with that country's boycott laws. This is in respect of his activities exclusively within that country and with respect to the import of products for the use of himself or of a company.

The final regulations define this more closely and lay down that intent rather than applying further or supporting the boycott "is at least one of the reasons" for a company's action. The rules add: "the fact that an action is taken for legitimate business reasons does not remove that action from the scope of those regulations if compliance with a boycott is also a reason for the action."

However, the department also notes that intent is very difficult to pin down. "If a person receives a request to supply certain boycotted information which the statute prescribes and he knows supplies that information in response, he clearly intends to comply with that request. It is irrelevant that he may disagree with an object to the boycott itself."

But, the department goes on: "If he refuses to do business with someone who happens to be blacklisted, but the reason is because that person produces an inferior product the requisite intent does not exist."

Selection

The act allows U.S. companies to comply with a specific request by a boycotting country that a certain company be used even if that request is made by boycott reasons. The regulations attempt to prevent companies from providing lists of possible subcontractors, for example, which leave out companies that may have been placed on the Arab boycott list.

The rules say that U.S. companies may provide so-called "pre-selection services" to boycotting customers and that these "do not destroy the unilateral characters of another person's selection so long as that other person or company is the one that makes the selection in fact and as long as those services are not provided in order to help that person (or company) make a boycott-based selection."

The department notes that to have prohibited such pre-selection services "would drive boycotting country buyers into the hands of foreign suppliers of pre-selection services who might

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Televising Congress: the networks go for realism

BY NANCY DUNNE IN WASHINGTON

U.S. BROADCASTERS are getting jittery because their rating services have reported that Americans are watching less television this year than last: the average viewer is now said to be consuming only three hours and 45 minutes a day.

Always searching for the magic formula to attract viewers—preferably every waking hour of the day—the commercial network have been manipulating and manipulating schedules and creating and cancelling shows, all to no avail. In recent "seasons" banal situation comedies have given way to "adult" comedies; silly, stereotyped white family shows have been replaced by mini-series; movies have made way for "televised" (second-rate) "novels."

The public is nevertheless apparently beginning to discover it has other things to do. So what will the broadcasters try next? In desperation, they could go in for real-life "realism." Filming is now being permitted in 44 State legislatures and, on an experimental basis, in some courts. Last September, Florida viewers were fascinated by the homicide trial of a 15-year-old boy. His (losing) defense, coincidentally, was that he had been spurred to violence by watching television crime shows.

A leading attraction of the realism line-up could be telecasts from Capitol Hill, where the House of Representatives has for

some years been inching toward permitting television cameras on the hallowed precincts of the House floor. The Senate is still some way from permitting daily broadcasts, but may film its Panama Canal debate this year.

Broadcasting of floor proceedings has long been resisted by Congressmen, who fear that close-up shots of dozing members or of hecklers or of a near-empty chamber would not be well received by their constituents. But the popularity of the televised 1973 Senate Watergate committee hearings, which gave star status to Senator Sam Ervin and brought the minority leader, Senator Howard Baker, Jr., into national attention, did not go unnoticed.

The subsequent, and more dignified House impeachment hearings were even better received. By 1975 the Roper Organisation found that some 88 per cent. of the public wanted at least some TV coverage of Congressional debates.

Prodiced by public opinion, broadcasters and several Congressmen, the House last year finally agreed to allow full coverage of proceedings starting early this year. However, the controversial question of who will operate the cameras was left to Mr. Thomas P. O'Neill, Jr., the House Speaker.

The Speaker is less than enthusiastic about the introduction of cameras on the House floor. He claims that it could be a terrible mistake to take pushing the first alternative.

Mixed reception for Carter address

By JUREK MARTIN, U.S. Editor

WASHINGTON, Jan. 20.

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PRESIDENT CARTER's first State of the Union speech last night was generally received by both houses of Congress with frequent applause as he delivered it, but political reaction to its contents was mixed and by no means along predictable party lines.

Although it concentrated on economic affairs, the speech touched many subjects, domestic and foreign, and those which were lightly touched on in the speech itself were fleshed out in an accompanying 30-page message to Congress.

Its purpose was to lay out in a sober manner the problems that needed to be tackled and some of the proposals the Administration has in mind. It was not, however, intended to overload the Congressional system, which reflects much Congressional criticism that Mr. Carter has tried to do too much in his first year of office.

Rather, it sought to leave the impression that Mr. Carter was managing as a manager of the nation.

Several Republicans approved of the essentially conservative economics it espoused, in its proposed tax cuts, tight budget and pledge to reduce bureaucratic paperwork. Sen. Barry Goldwater even commented that he had made the same speech in 1964 (when he was running for President) and "got the bell beat out of me."

Sen. Howard Baker, the Republican minority leader, applauded some of Mr. Carter's comments but added that the address "provided no new directions or insights into what the Administration will do to deal with the problems."

A number of Democrats and Republicans also complained that Mr. Carter offered nothing detailed or new in his exposition, a criticism that may be a little unfair in the light of the popular view that he has been offering much too much.

Sen. Robert Byrd, the Democratic leader, also demurred from the President's contention that "we have failed the American people" by not producing an energy Bill. Sen. Weicker, the liberal Republican, took a different view, complaining that Mr. Carter was still not exerting the right kind of executive leadership to break the energy impasse.

Congressman Tip O'Neill, Speaker of the House, though however that the President was "right on the mark" on energy.

The present Commission's predecessor investigated the whole sanitary protection market in 1974, and recommended dropping the system of manufacturers' suggested retail prices, as this resulted in prices being higher than necessary.

The manufacturers agreed to change their pricing system and when the market was studied again, it was found that retailers' profits on sanitary protection had fallen as a result of the dropping of recommended prices on the majority of brands.

The reference is in line with the new Commission's policy of investigating price increases not justified by companies with a dominant market share.

Technically, Southall's prices could be frozen during the three-month investigation, but in practice, most companies have been able to implement at least part of the proposed price rise by applying an interim increase under the profit safeguards written into the new price controls.

Mr. Carter may well have been encouraged by the volume of applause he received when he urged senatorial ratification of the Panama Canal treaties.

The department warns that "use of this exception will be monitored and continually reviewed to determine whether its continued availability is consistent with the national interest. Its availability may be limited or withdrawn as appropriate."

Finally the regulations attempt to deal with the myriad ways in which companies may seek to evade the act. This final passage of the department's accompanying statement deserves to be quoted at length.

"Use of dummy corporations or other devices to mask prohibited activity will also be regarded as evasion. Similarly it is evasion to divert specific boycotting country orders from U.S. parent companies to their foreign subsidiaries for the purpose of complying with the prohibited boycott requirements. . . . in all potential cases of evasion the facts and circumstances of an arrangement or transaction will be carefully scrutinised to see whether appearances conform to reality."

The rules say that U.S. companies may provide so-called "pre-selection services" to boycotting customers and that these "do not destroy the unilateral characters of another person's selection so long as that other person or company is the one that makes the selection in fact and as long as those services are not provided in order to help that person (or company) make a boycott-based selection."

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Sunday
Postal
Services
may be
restored

HOME NEWS

'Anti-Grunwick' Bill is past Second Reading

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

A CONTROVERSIAL Private Member's Bill which makes it more difficult for employers to co-operate with the Advisory Conciliation and Arbitration Service was given a Second Reading in the Commons yesterday by a majority of 14 (256-242).

The main purpose of the measure is to prevent a court overriding a ruling of ACAS in industrial relations disputes, as happened in the case of the Grunwick dispute.

In that instance ACAS ruled that the Association of Professional Executive Clerical and Computer Staff should be recognised at Grunwick, but the House of Lords later overruled this on the grounds that ACAS had not taken all possible steps to ascertain the views of Grunwick workers.

Tory anger

The Bill would prevent such a situation arising in future by stipulating that ACAS would have to ascertain the views of workers only to an extent which was "reasonably practicable".

The legislation, the Employment Protection Bill, received the full backing of the Government in the Commons but ran into furious opposition from the Conservatives.

The main anger of the Tories was directed against a clause in the Bill which states that ACAS need only consult a certified trade union to obtain the views of the workers.

It would not have to consult staff associations or bodies which Mr. Ted Fletcher (Lab., Darlington), chairman of the Left-wing Tribune Group, and sponsor of the Bill, described as "sweetheart unions".

The Liberals did not support the Government in yesterday's vote. They abstained after Mr. David Steel, the Liberal leader, union workers.

Bank may alter system for fixing MLR

BY MICHAEL BLANDEN

CHANGES IN the system of fixing the Bank of England's minimum lending rate, the main key to the general level of short-term interest rates, are being considered in the Bank and the Treasury.

No specific proposals have been made on what system could replace the present arrangement which links the level of MLR to the market through the rates established at the weekly tender for Treasury bills on Fridays.

The authorities are examining whether an alternative system could be introduced in the light of the problems and disadvantages which have emerged under the present arrangement.

Lloyds cuts personal fixed-rate loans cost

BY MICHAEL BLANDEN

LLOYD'S BANK is cutting the cost of its personal fixed-rate loans, in line with general reductions in interest rates during the past few months.

From Monday the interest rate on new personal loans over a two-year period will come down to a true rate of 14.7 per cent from the previous 16.7 per cent. This

is equivalent to a reduction in the flat interest rate on the initial amount of the loan from 8.1 per cent to 7.9 per cent.

The bank said the true rate will depend on the repayment period, which can vary between six months and three years.

The move follows similar changes made by a number of the other big banks.

Fraud gang 'got \$190,000 from Kuwaiti bank'

THE MOVEMENTS of men operating a multi-million pound forged bank draft fraud—which could have undermined the world's banking system—could be pieced together like a jigsaw puzzle as an Old Bailey jury was told yesterday.

Mr. Kenneth Richardson, prosecuting, referred to extracts from dossiers built up by detectives and to an album of 300 photographs—a selection from 6,000 taken secretly.

In the dock are Andre Biro, 52, Francisco Fiore, 48, Henry Oberlander, 51, Emile Fleischman, 57, and Jorge Grunfeld, 35, all of London, and William David Ambrose, of Esher, Surrey.

They plead not guilty to six charges of conspiracy, relating to plots to defraud banks, companies and businesses by the use of forged bankers drafts and identity documents; to forge the drafts and to utter them with intent to defraud.

In all, 40 banks were defrauded but Mr. Richardson said: "If we can prove what was going on with the drafts in relation to seven or eight banks then it is an inescapable inference that something similar was going on in relation to the remainder."

He told the jury of two specific frauds. The first was

related to this bank."

Mr. Richardson also told the jury of other links. He said that a scientific officer had found that one of the forged drafts found at the forgers' den had been printed with the same inks and dyes as that on forged drafts actually passed for cash.

The case continues on Monday.

Tate to show Turner watercolours

BY ANTONY THORNCROFT

THE TATE Gallery, perhaps reacting to renewed public interest in Turner, has decided to hang 40 of the artist's watercolours in a room next to its extensive display of Turner oil paintings.

It is three years since the Tate showed Turner watercolours in

Skateboard safety standards to be discussed

By David Fishlock,
Science Editor

THE DRAFTING of British Standards for skateboards and associated safety equipment such as helmets and pads is to be discussed at a British Standards Institution meeting in London on Monday.

Pressure from the Department of Prices and Consumer Protection, in particular, has overcome the former reluctance of the BSI to contemplate standards for the sport.

Those expected to attend include some of the main skateboard manufacturers, major retail sports goods suppliers, and the British Skateboarding Federation, a group of organisations interested in the sport.

In pressing for such a meeting, the Prices Department has been supported strongly by those who point to the high stresses to which the components of skateboards are subjected, and to the fact that the sport did not "arrive" until materials development had caught up with some of those stresses.

Hidden dangers

This was the case especially with the wheels, but other components and the overall design of the skateboard have not always come up to the same standard.

This was disclosed last month, when the Royal Society for the Prevention of Accidents released a report called "The Hidden Dangers" prepared by scientists with the Fulmer Research Institute.

The Fulmer study, investigating the failure of critical skateboard components, said that, ideally, approved materials and their processing and inspection should be controlled in the same way as safety-critical aircraft and car parts.

An interim precaution, until such standards could be laid down, is to perform a rough-and-ready test to be performed before purchase and each time before a skateboard was used, in which a man jumped several times on the deck of a firmly anchored skateboard.

Nor do standards exist yet for skateboarding safety equipment. The Prices Department envisages use of a helmet designed to standards similar to those laid down for racing cyclists. New standards would be needed for knee and elbow protectors.

The Prices Department, although not responsible for laying down standards, has a responsibility "in consumer protection" for consumer protection "in and around the home," it said yesterday.

Skateboarding, it identified,

was "slightly more diverse" from its usual activities. But for a year it had taken an interest in seeing that the equipment was fit for the purpose for which it was being used.

The Fulmer Research Institute plans to make a testing programme available to the skateboard manufacturing industry, in which "a few hundred pounds" manufacturer could commission a confidential report on the performance of his products.

It also plans to pool its experience of the use of equipment in public reports which, while not specifying the manufacturer, would assess different types of skateboard and safety equipment—rather like Which? reports.

It would make measurements on the ability of equipment to withstand impact, abrasion, emergency braking—"even fire if it's wanted."

The scientists emphasise that in spite of publicity, the number of accidents caused by the failure of materials or designs is trivial compared with those caused by inexperience.

BBC plans to brighten Radio Four

By Christopher Dunn

MORE RADICAL changes in BBC Radio Four programmes were announced yesterday by Mr. Ian McIntyre, the controller.

The emphasis in the reshuffle, which begins next month, is on weekend programmes. From

Correspondents and Between the Lines, broadcast on Saturday mornings, will be dropped.

Alastair Cooke's Letter from America will return to its old time on Sunday morning, as part of a general plan to liven up broadcasting at this part of the week-end.

A half-hour entertainment slot is planned for Sunday morning.

New Saturday programmes include a weekly magazine review presented by Anthony Howard, retiring Editor of the New Statesman and a "correspondence column". There will be a Sunday morning phone-in.

Operating expenditure last year at Radio Four was £14m, just under a quarter of the total, £55m. It was the most costly BBC station.

by the public for some time. It is planned to change the water colours every six months, re-stocking with watercolours from Mr. Brian Pilkington.

These include two watercolours, "Bonnie" painted in 1808, and "Farley" from above Orlay, which have not been seen

Dublin faces storm over sacking of police chief

By GILES MERRITT IN DUBLIN

A POLITICAL storm is gathering in Dublin over the Irish Government's sudden dismissal of Mr. Edmund Garvey, the Police Commissioner.

The leaders of both Opposition parties called yesterday for an immediate explanation, although with a mix of anger and disbelief.

One unconfirmed report states that a delegation from the Garda representative body met Mr. Collins just before Christmas to express police discontent.

If the affair has come as a shock in Dublin, Mr. Garvey himself appears to have had his

relations with the new Irish Government were reaching a crisis.

Heavy squad

Only a week ago the 63-year-old Yorkshire-born Commissioner, appointed in September

Dr. Garret Fitzgerald, the Fine Gael leader, wrote to Mr. Jack Lynch, the Prime Minister, demanding an "immediate stand-down" of Mr. Garvey's dismissal. This is backed by the leadership of the Labour Party.

Mr. Garvey's brief account of his dismissal continued to reverberate round two unresolved matters of police conduct.

The first is allegations that a so-called "heavy gang" operated as an interrogation unit in cases of suspected IRA terrorism. The second concerns fingerprinting irregularities that may have followed finding of fingerprint in the search for the murderers of the British Ambassador, Mr. Christopher Ewart-Biggs, in July 1976.

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FINANCIAL TIMES

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Saturday January 21 1978

Prices and earnings

THE DECEMBER index of to stick fairly rigidly to his target for the growth of the money supply. It was being made back towards a driven outside the target range single-figure rate of inflation when overseas money was poured into the year-on-year increase in in, and the gilt-edged market was a little shaken when the latest banking figures suggested that it had not yet been brought back under control. So far this year, it now appears, the annual rate of growth has been 13% per cent, against a target of 9-13 per cent; but there have been a number of technical factors at work, the inflow of money from abroad is now much smaller, and the Government has four months in which to get back into line.

Trade outlook

With earnings rising and the real consumer spending power should soon be rising again for the first time in a couple of years. The official figures of consumers' expenditure show that there was a rise of about 1% per cent between the third and fourth quarters of last year. But the upward trend may since have grown steeper. A fall in the savings ratio and an associated increase in demand for consumer credit has been suggesting for some time past that people were ready to spend, and retail sales in December were extremely buoyant. This may have owed something to tax cuts, of course, but there seems little doubt that there will be a gradual increase in real consumer spending as the year goes by.

This has a certain relevance to the trade figures published this week. The balance of payments for the year was a surplus of £58m. instead of a deficit of £125m. and the drop between November and December was due entirely to special factors: the outlook for this year is good. But there are two aspects of the trade accounts, especially for the later months of 1977, which are slightly disturbing. The first is that imports of manufactured goods have been relatively high despite the stagnation of output and demand. As output and consumption demand recovers, the volume of imports may rise steeply.

The second is that the growth in the volume of exports has fallen off; average prices have risen sharply, but this can hardly go on with the world trading outlook as unpromising. Though North Sea oil keeps foreign payments in surplus therefore, the ordinary trading balance may well get worse between October and November was probably due in part to back pay. The main feature of the present pattern of pay settlements is that they are taking place significantly later than usual, with only 20 per cent of workers covered by major settlements having closed by mid-January compared with 35 per cent in a normal year. This makes it all the more difficult to guess what will happen later.

Until things are clearer, the Chancellor will want to keep his Budget strategy open and rather than better this year.

Letters to the Editor

Roads

From Mrs. S. Leslie.

Sir.—The chairman of the Conservation Society writes (January 17) as if the economic growth argument is the only justification advanced for new roads. In fact the Leitch committee has merely confirmed existing government procedure which excludes the indirect economic benefits from the cost benefit assessment of road projects. In the Department's own words: "The Department's own view, correct in excluding the indirect benefits from the calculation."

The point which seems to have escaped general public notice, but which was emphasised in your transport correspondent's article (January 11), is that in the committee's view, the cost-benefit method of assessment "has been competently designed... and implemented... with considerable skill." To be sure, the report recommends that a different forecasting methodology be adopted by the Department.

This may or may not result in lower forecasts than before, but the effect on the 350 trunk road schemes still outstanding will not necessarily be dramatic. The reason for this is that many of them do not rely on their viability on future traffic growth—some are needed just to cope with existing traffic flows. More than 100 of the outstanding schemes are bypasses to heavily congested town centres, for which the case (and popular support) is overwhelming.

The present assessment method is based on discounting benefits arising in future years at the high discount rate of 10 per cent. This makes future traffic levels relatively less important in the economics of the scheme. Were that rate to be lowered, as the BRF urged in its evidence to the committee, the forecasts might become more crucial. A lowering of the rate would lessen the bias between public and private investment (which private company would fail to jump at an investment opportunity that would only be a

returned 10 per cent annually in real terms?).

But if the forecasts are to be revised downward, a note of warning should be sounded. Traffic forecasts are necessary to determine the standard to which a road should be built—whether single or dual carriage-way for example. It may be good policy to build roads to standards based on the most pessimistic possible of forecasts, but it is very bad economics. This is because the cost of underestimating traffic, and thereby designing roads to too low a standard (for example M5 and M8 at Birmingham) is the London section of the M1 is much higher, both in economic and environmental terms, than the cost of over-estimating.

The Leitch recommendations will on balance improve the economics of road investment, and hence make the case for certain routes even stronger than it is at present. The proposed widening of the cost benefit framework will also underline the overall environmental improvement that most schemes bring in terms of reduction of intrusion on existing routes.

Shaun Leslie
(Senior Economist)
British Road Federation,
26 Manchester Square,
London, W1.

Freedom

From the Deputy-Chairman,

The Selwyn Group.

Sir.—It is good to see Mr. Stead (January 18) pushing the argument on a free market in money beyond the arena of the foreign exchange markets. His implication that this freedom would be almost entirely illusory as long as we have Government-imposed money and exchange controls is, of course, largely correct.

The abolition of exchange controls would be the most important step, establishing the right of consenting adults to transact business among themselves in the currency (or commodity) of their choice. But as long as the Government (which would presumably insist on its own money "controls") so much of the economy this would only be a

legal tender laws are the other part of the equation, their repeal allowing us complete freedom including that to use the "weapon of exchange" intervention" (W. P. Pratt, January 18) against those central banks silly enough to point it at themselves. Why should the Swiss have all the fun?

R. S. Henderson
170, Sloane Street, S.W.1.

Democracy

From Mr. A. Simper.

Sir.—Mr. B. Cassidy's assertion (January 11) that the newly constituted Post Office Board is not an industrial democracy is misleading.

He states "there are no employee directors as such." In fact four of the seven worker

directors are currently employed by the Post Office and the remaining three, although at present employed by Post Office trade unions, have nevertheless between them served the Post Office for more than 50 years.

Mr. Cassidy may not like Post Office engineering workers using their union as a means of expression but since more than 97 per cent of all eligible Post Office engineers have freely joined the union, can he suggest a better method of electing worker directors?

In my own case as a rank and file worker elected by the traditional methods of the Post Office

Engineering Union, I am con-

vinced that this is a genuine form of industrial democracy. Furthermore the other worker directors were all elected by one form or another to represent their membership and since none of us will be drawing a director's fee out of our normal salary as Post Office employees, he can hardly claim it's "jobs for the boys."

Arthur Simper
(National Executive Council),

Post Office Engineering Union,

Gresham House,

150, Brunswick Road, Ealing.

Letting

From Mr. M. Bond

Sir.—The feature by Mr. Joe Clegg (January 18) on how the debate as that concerned with ever, that there are missing

QUARTZ WATCHES

Last year electronic, or quartz, watches accounted for 20 per cent of watch sales in a U.K. market worth some £160m. With the electronic revolution still gaining momentum, the stakes are high for the company which can stay ahead...

BY JOHN LLOYD

THE REVOLUTION in the watch market is currently more apparent than real, but in the long term will be more real than apparent.

The explanation of this conundrum is to be found in the impact of the quartz, or electronic, watch, to date, and the inroads it will make in the future. In the past two years, quartz watches have succeeded in taking a significant share of the market, though not as large as their attendant publicity might lead one to believe. The revolution has, thus far, been more apparent than real.

By the 1980s, the trade believes that quartz will be well established, but that the so-called "quartz analogue," which has a conventional face, will be the dominant model, especially in the digital-face watches usually associated with the new technology. Thus, the revolution will be more real than is readily apparent.

Quartz watches first appeared in the U.S. in late 1974, the offspring of the American electronic companies of Fairchild, Texas Instruments, and National Semiconductor. By 1975 they were selling in the U.K.

The American companies were free of the conventions which had hitherto governed the watch market: thus, when jewellers looked sceptically at the new watches, they took them instead to the electrical goods chain stores and to department stores—like Currys, Dixons, Boots, Laskys and Debenhams. Besides offering ready outlets, the electrical retailers took a generally lower margin—between 30 and 40 per cent, compared with the jewellers' 50 per cent plus.

It has to be said that the jewellers' doubts were, initially, amply confirmed. The first quartz watches were of the LED

use two hands to tell the time and that the batteries wore out much faster than the manufacturers—or the customers—had bargained for. More important, the earliest models very often broke down, and gave quartz watches a bad reputation.

The case of the first British manufacturer in the field provides a salutary tale. Sinclair Radionics, small and inventive electronics company which began in 1972 by constructing and marketing pocket calculators, designed and launched the Sinclair "Black Watch" in time to miss Christmas 1975. Priced at around £25, the Black Watch was expected to pick up 30 per cent of the U.K. digital watch market in 1976, and up to 10 per cent of the overall watch market does not or cannot. The most important is Time Products, which was like Timex in the U.S.—begun by an immigrant in the 1930s, Alexander Margulies, who retired from active involvement in his company last year. He came to the U.K. from Germany in 1931 as a sales agent, began commercial life by assembling German watch parts inside British cases, then switched to importing Swiss watches. He went into London factory, Trafalgar, production during the war, factories or buys from U.K. money which watch companies switched back to importing sources 19 of the 22 components

from Czechoslovakia. Mr. Herrmann arrived in the U.K. before the war without a shilling to his name, and is now busily engaged in exporting quartz watches to Hong Kong, the electronic counterpart of eskimos.

Scarcely less dramatically, highly expensive comics to sell timing decline in price; the Tesco supermarket chain to Ronnie Barker in a gamut of share within the overall market, stock his (mechanical, disguised, while Accurist relies especially LCDs and analogues, ported) watches six years ago, on the talents of the ineffectual and the possible emergence of John Cleese. Sekonda believes much credit goes to the Soviet Union.

Some £3m. in sales later, Barker deserves as much credit as the Soviet proletarian in the success. Ingersoll's managing director, Mr. Frank Edwards, considers the greatly increased sums of production during the war, factors or buys from U.K. money which watch companies are now spending on TV to be

vertising techniques. Interest (World and U.K.) because of two of them have hired the advent of quartz and its con-

tingency, the effect of quartz and its cost in the market, U.K. before the war without a

The second major innovation on which the trade tends to agree, might be organised under more visible than quartz: it is four heads: a continuing shift of production to the Far East; the increased use of quartz com-

panies are making of mass ad- a growth in the overall market

marketing ice-creams to advertising techniques. Interest (World and U.K.) because of

vertising techniques. Interest (World and U.K.) because of

Production in the U.K. is now confined to the long-established market leader, Timex, and the talented fresh, Trafalgar, though other companies do some assembly work from foreign-sourced components.

The U.S. electronic companies have also moved some of their functions to the Far East.

The effect of electronics on the small Swiss watchmaking firms is a separate chronicle, but can briefly be described as disastrous. The Swiss are now fighting back strongly, but are unlikely to regain their absolute dominance.

Within that overall perspective, there are significant exceptions. Portugal suddenly became a major exporter of watches to the U.K. in 1978, mainly due to the Timex subsidiary there coming on stream. Texas Instruments plans to start assembly of quartz watches in Italy later this year.

West Germany has gradually increased its exports over the last five years.

Growth in the market—as a recent Economist Intelligence Unit report has it—would be unlikely if the quartz watch had not happened. EU estimate that the market would have settled at around 11m. units annually, the number sold in 1976. As it is, the current market is between 11m. and 12m. and is forecast to grow to around 13m. by 1980, depending on how quickly quartz can be come cheaper.

Mr. Edwards, who like most watch executives thinks that the jewellery trade was more than a little old-fashioned, believes that the TV ads, coupled with the use of unconventional outlets by the electronics manufacturers, have forced the jewellers to be more aware of selling.

Their position has been eroded sharply since the early sixties, when they virtually controlled the distribution of watches. To day, they sell less than 50 per cent in unit terms, with small order taking 10-12 per cent, and department and other stores like Woolworth and Dixons taking repurchase for conflict, which starts at 20%.

The Swiss firms of Rotary and Omega (which also markets Tissot) and the Japanese Seiko range from around £18 to £42. The important feature of the Soviet watches, however, is not their price but their quality. Sekonda is offering a fully-jewelled lever watch for a little more, or in some cases the same price, as Timex's pin-palettes. To add insult to injury, Time Products procured a Timex executive, Mr. Roland Baker, to head up Sekonda.

Not unnaturally, the brand has done well, with 1m. units sold in 1976. It looks as though its quartz models may also offer keen competition to Timex as well. Timex quartz presently

ranges from around £18 to £42. The company are similarly stronger in the 20 per cent of the market which is over £20. Seiko is one of two Swiss mechanical watches and quartz LCDs with U.S. modules in Swiss cases, tend to have products priced upwards of £25, though Newmark has recently introduced the Corvette range which starts at £10.

The other pusher-from-behind in the U.K., under which Seiko is the world's biggest jeweller, is the world's biggest

Swiss brands sold in the U.K., the other being Citizen. The beneficiary, it would seem, stores. And they, too, have now has been the consumer.



DIGITAL OR ANALOGUE?

from Switzerland when import restrictions were lifted in 1967 and recently secured the sole concession for the sale of some Soviet-made watches in the U.K. Timex was used to having virtually unchallenged dominance in the cheap mechanical watch field, retailing its "pin-palettes" or pin-lever range, produced in Dundee, from around £8 to just over £16. But the Time Products' Soviet deal enabled that company to market the Sekonda range from just under £8 to around £42. The important feature of the Soviet watches, however, is not their price but their quality. Sekonda was offering a fully-jewelled lever watch for a little more, or in some cases the same price, as Timex's pin-palettes. To add insult to injury, Time Products procured a Timex executive, Mr. Roland Baker, to head up Sekonda.

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FINANCIAL TIMES SURVEY

Saturday January 21 1978

Taking Your Car on Holiday Abroad

Motoring holidays form a very large part of the general growth in leisure traffic between this country and the Continent and elsewhere. This Survey aims to provide a comprehensive guide to services during the months ahead.

Drive where you will

BY IAN HARGREAVES
Shipping Correspondent

GIVEN THAT the great appeal of taking your car abroad is that it cuts pre-planning to a minimum, it has to be said from the start that there is no substitute for some intensive studying of brochures when it comes to choosing your car ferry. With 40 routes available within the British Isles or between Britain and Europe and around 15 different shipping lines—the number depends on whether you include mainly freight operators—the choice is far from easy.

Moreover, with this degree of competition there is some extremely sophisticated marketing at work, which makes it very difficult to offer simple generalisations about which lines are cheapest—although most of them are, of course, prepared to make this claim for themselves.

The opening question must be: where do you want to go? The next are your most convenient port of departure, how many people will accompany you, and the last in roll-on/roll-off lorry traffic, in the last in roll-on/roll-off

your car and the length of your vehicle. Armed with this information, a good travel agent should be able to come up with the best price available, but even then it does no harm to bear in mind that agents' commission varies between 7.5 and 10 per cent, according to service and period.

The reason for all the competition is of course the fact that short-sea car ferries are very good business indeed. European Ferries, whose Townsend Thoresen subsidiary operates on eight passenger routes, had pre-tax profits of £7.8m. on its shipping activities in 1976, and while a substantial part of this came from freight carrying, the car ferry business continues to look very healthy.

Bookings

Townsend's biggest competitor, the railway owned conglomerate Sealink, lost money for British Rail in the same year, but will probably show its first profits for some time in 1977 having also gained from the rising tide of business. Between them, these two operators account for about two-thirds of the business across the Channel.

On all its routes last year Sealink carried over 17m. passengers and over 2m. cars—a 10 per cent increase in volume—and it is predicting a similar increase this year. It says its package holiday bookings, which always start to come in earlier than the simple ferry bookings, are double a year ago.

Port statistics back up this picture of almost uninterrupted growth since the late 1960s (only 1974 was a bad year). The number of passengers through Dover has almost doubled in ten years, and considering the rapid decline in ocean-going passenger shipping in the last in roll-on/roll-off

decade, it is noteworthy that helped to iron out the worst of fleet, having expanded more usually only a whisker's difference between 1967 and 1976 total the seasonal peaks for the rapidly and recently, has no once on prices of operators on hire—and there are differing U.K. ports increased from 8m. to 16.5m.

In the past couple of years most of this growth has come from mainland Europe and for the on-off Channel Tunnel the first time Sealink last year project. This has interrupted carried more foreign than U.K. passengers on all of its routes except Weymouth-Cherbourg. The fact that a large number of these Continental travellers come for winter shopping visits has also, along with the growth of Holland services this summer, contributed to the rapid decline in ocean-going passenger shipping in the last in roll-on/roll-off

that puts you under medical care you can claim up to £28,500 for medical expenses depending on the number of people in the car. There's an air-ambulance service available if it's medically necessary to bring you back home and covers up to £250,000 for personal liability damages and legal costs.

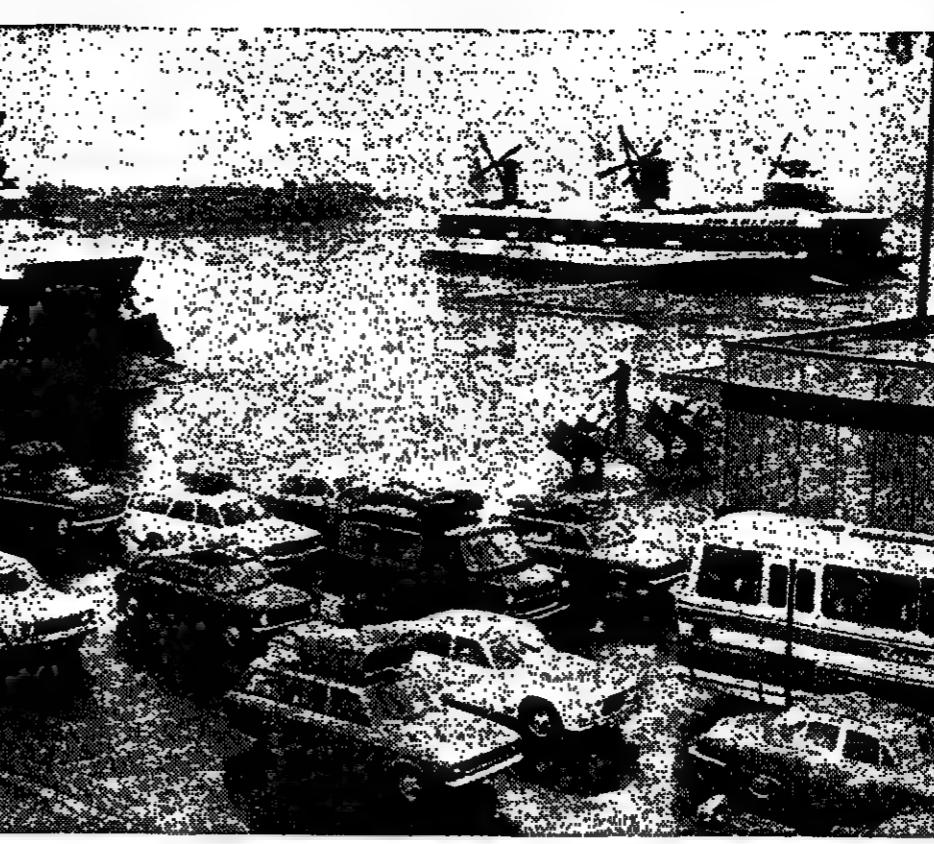
AA 5 Star Service even covers unlikely events like hijacks and squatters moving into your home while you're away. And, naturally enough, provides protection in the event of the loss of your car through breakdown, fire, accident or theft.

You don't have to be a member of the AA to take out 5 Star Service, although if you are, you can benefit from additional services.



AA 5 Star Service is available from any AA office and from most ABTA travel agents.

UNLUCKY MOTORISTS COULD FIND BED AND BREAKFAST VERY EXPENSIVE IN EUROPE.



Seaside and Hoverlloyd craft at Calais.

Brittany ports, using 1 departure points of Plymouth, Cork (Ireland) and Portsmouth. This line has also stepped in the breach left by Aznar Ferry and Swedish Lloyd by offering the only direct sailings from northern Spain. Its crossing from Plymouth to Santander takes 24 hours.

Routes

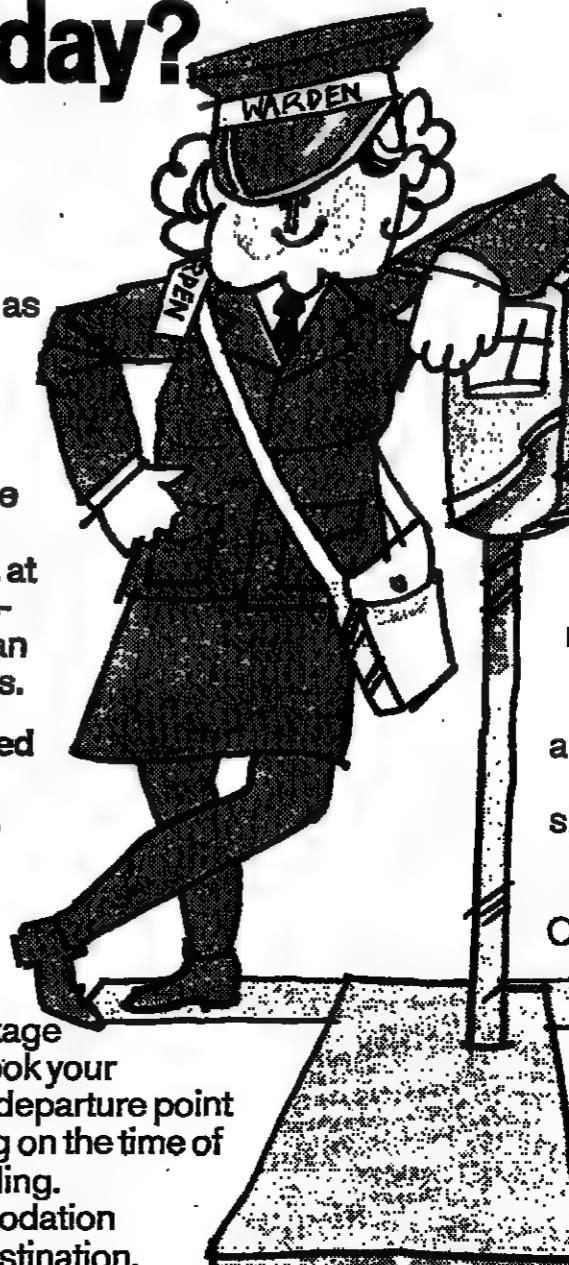
Other more northerly routes are served by Tor Line, Gothenburg out of Fife, and Newcastle (this last service in conjunction with DFDS Seaways, which also sails from Newcastle to Denmark); Fr. Olsen-Bergen, which serve Norway out of Newcastle; Harwich, Prins Ferries which sail to Northern Germany from Harwich, and Olan Lin with its single route from Sheerness to Flushing, IJmuiden, after a brief period as European car ferry port, has been deserted by Tor Line.

Irish services received some special marketing attention from Sealink last year, with a range of price freezes, cheap package deals and even straight cuts in some cases. The dividends proved to be handsome, with car passenger business up 33 per cent on the previous year and a 25 per cent rise in traditional rail traffic. This contribution to Irish tourism won Sealink the United Dominion Trust award. As a follow-up Sealink, which claims 80 per cent of the Irish Sea market, has introduced a new summer route from Rosslare to Dun Laoghaire, but fares on Irish services have gone up this year by about 15 per cent.

Hoverlloyd, the other hovercraft company, which operates from Ramsgate to Calais, tends to be cheaper than Seaside, but has the disadvantage that if

Continued on Page III

Do you collect more tickets than you bargained for when booking your holiday?



You'll be taking the car, naturally. So the way to avoid those extra tickets as you flit between travel agencies looking for the service you want, call in at the bank, have a word with your insurance brokers, check on the visa situation, is to call in at Thomas Cook. Your one-stop travel shop. They can sort out all your problems.

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book you into the right hotels en route—so you won't have to sleep in a lay-by on the way.

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So why dash around town fixing up this and that. Call in at your local Thomas Cook travel shop, and arrange the whole complex mess at the same time. You'll find that our experience pays off handsomely once you're on the road. Just make sure you find a meter first and you won't pick up any extra tickets with Thomas Cook.

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All ships on our Dover-Boulogne and Southampton-Le Havre routes have bars, self-service restaurants and duty-free shops.

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So as you can see, you needn't get less of a ferry service when you pay less for your ticket.

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Send to: P&O Normandy Ferries, Box 2, Feltham, Middx. TW14 0TG. Tel: 0703 34141.

Name _____

Address _____

NORMAN D.
SEAGULL
222

Increasing the variety

BY SYLVIE NICKELS

IT IS JUST 50 years ago since, with significant results, a private car was damaged while being crane-loaded on to the mail boat from Dover to Calais. The incident prompted its owner to buy a collier called the *Artificer* and set up his own ferry service. It carried 15 cars and a limited number of passengers, and it transported 6,000 cars in the first year. Surplus passengers travelled on the mail boat.

Sophisticated

The car owner was Captain Stuart M. Townsend, whose name is still perpetuated by the company which is to-day British Rail's biggest rival on the short sea ferry routes. Townsend's (now Townsend Thoresen) were not quite the first, however, to take the bold step of abolishing the crane. In 1946, the Atlantic Steam Navigation Company acquired three tank landing ships, converted them and began ferrying vehicles and equipment to the British forces in Germany. Two years later, the company's Transport Ferry Service launched the first drive-on-drive-off route for commercial traffic. Now a sister company of Townsend Thoresen in the European Ferries Group, TFS continues to operate a highly sophisticated roll-on/roll-off service, with a limited number of passengers, between Felixstowe and Rotterdam's Europort.

As we have seen, much has happened since those early days. Perhaps the most surprising

thing, given our geographical status, is that it took so long to happen. That Scandinavian interests have played such a prominent part in the development of our new and old routes is less surprising when one thinks of how long a well-organized network of car ferries has existed in the Baltic and its ramifications. Denmark, Sweden, Finland and their many islands are linked by a fleet of floating transport which, incidentally, can add a great deal of pleasure to the Baltic, but in the

vicissitudes of their seasons

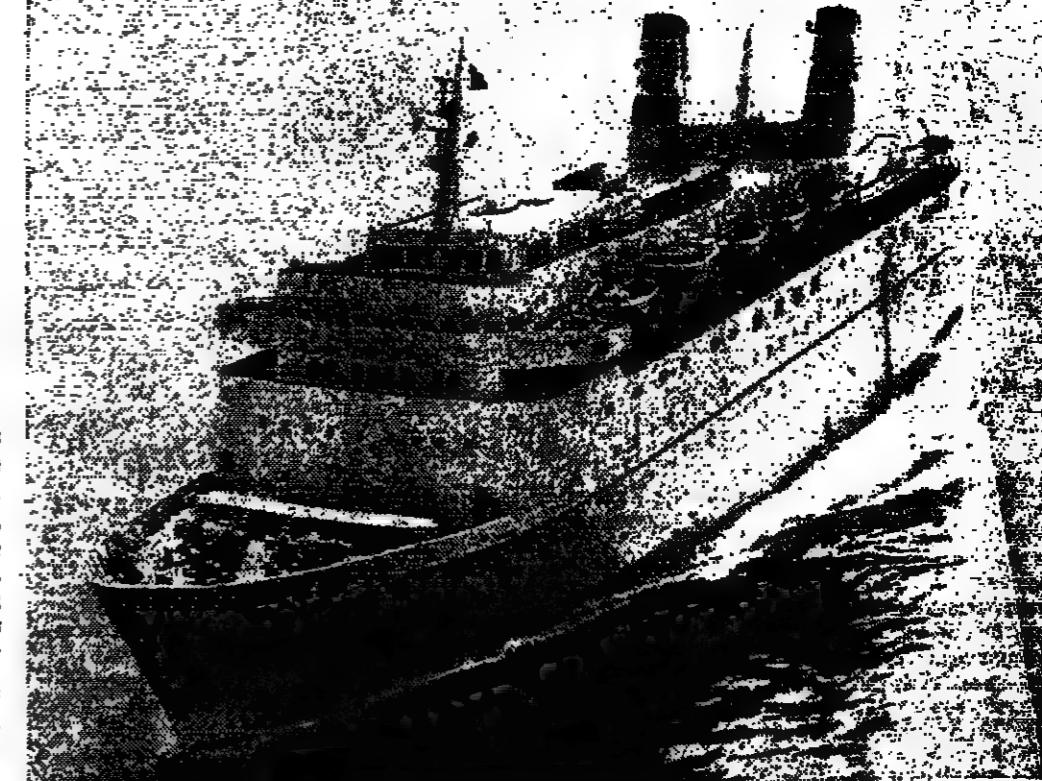
stoically. Problems are there to be solved; in order to travel through ice you must break it, and so they—and especially the Finns—have developed a reputation for building ice breakers that are second to none. It is a rather nice piece of one-upmanship that one of Europe's smallest countries (in terms of population) has produced an ice-breaker which is also the largest, fastest, most modern car and passenger ferry not only in the Baltic, but in the

world.

Familiar

My first experience of these was nearly 20 years ago on a freezing January night as we nosed our way between Stockholm and the south-west Finnish port of Turku. My notes from that occasion give an awesome account of screaming scaffolding became a familiar part of the Helsinki waterfront scene, was brought into service early last summer. Powered by two gas turbine engines, a year ago. Most cabins have modified versions of aero jet engines, together generating 75,000 horsepower, she has been described as a ship of the future. Certainly she makes an impact on the present, with her 23,000 gross tonnage, 700-foot length, cabin space for 1,532 passengers and car deck capacity for 350 cars.

The Scandinavians take the



Southern Ferries' Eagle.

The passengers themselves, ranging from short stays in Helsinki to itineraries reaching up into the Lapland wilderness with the speed and the comfort cater for up to 400, with all the necessary technical equipment beyond the Arctic Circle. Helsinki is also a popular launching point for visa-free cruises to the USSR. All manner of other combinations can be made by motorized explorers of these northern reaches of Europe, and information on the range of ferry services is available from the national tourist offices concerned.

Further information on Finnlines from: Thomas Cook, 45 Berkeley Street, London W1A 1EB.

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Ring Hartford (0992) 89923 or write: CAR HOLIDAYS ABROAD, Bell Plain 338, Hartford SG14 1DY.	
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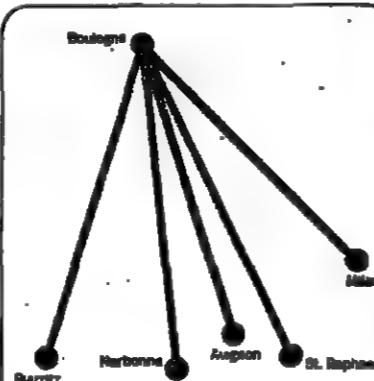
But when you're making a dash for the sunshine and beaches, French Motorail is the take-it-easy answer.

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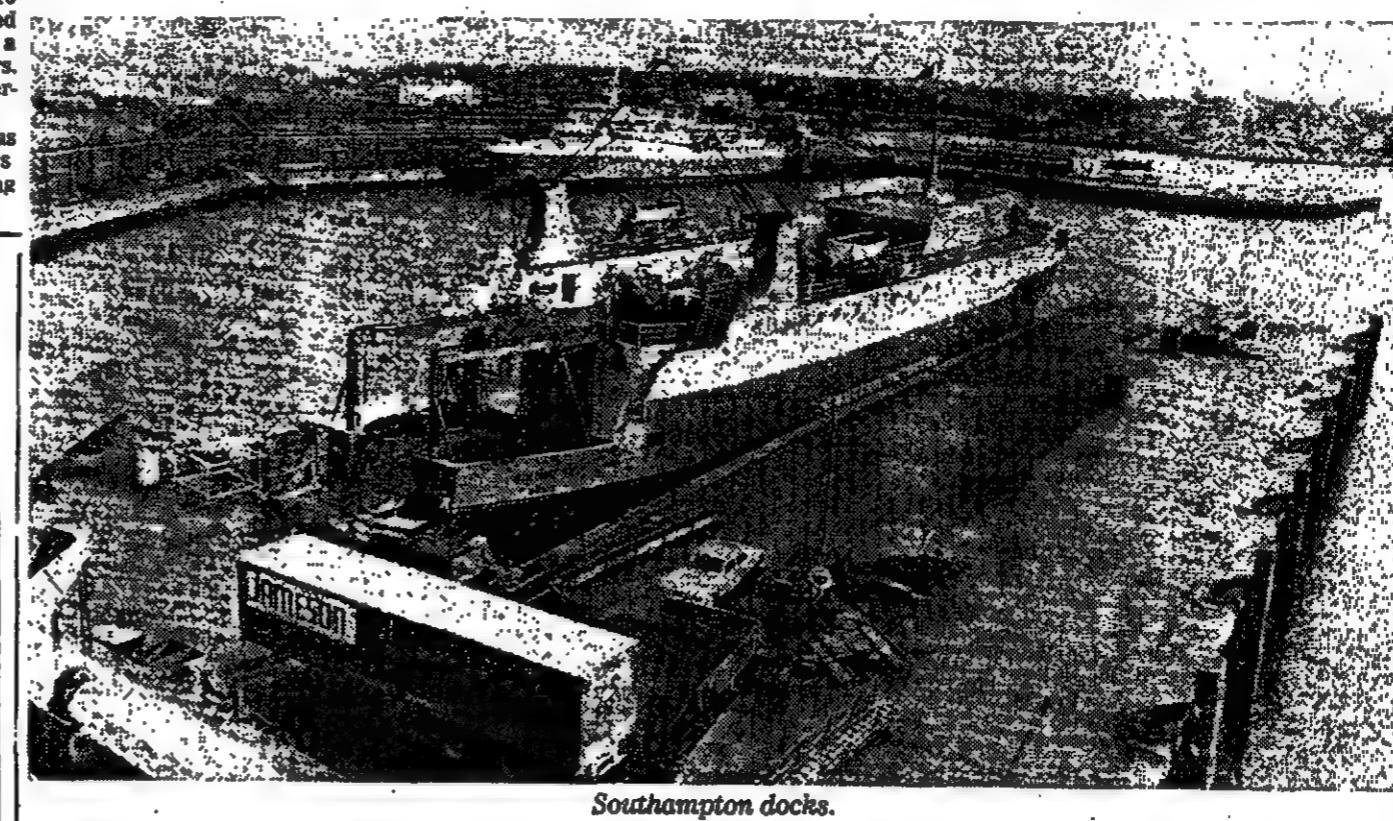
Not taking your car? Our 'France-Vacances' railrover ticket offers you the freedom of French Railways for 9 days, 16 days or a month from £47.90.

Please send me details of the following: Tick brochures required. Motorail Services Sealink Car Ferries and Seaspeed Hovercraft 'France-Vacances' Inclusive Holidays General Timetable and Fares List (including London-Paris Silver Arrow

Name _____

Address _____

French Motorail French Railways Limited, 179 Piccadilly, London W1V 0BA



Southampton docks.

Irish choose a
slower pace

BY PAUL MARTIN

IT WAS completely by chance that I visited the Republic of Ireland for the first time five years ago and I have since returned there each year with increasing pleasure and a deeper appreciation of all that the country has to offer.

While no one should attempt to dismiss the problems that still exist in N. Ireland, they have little immediate impact on the Republic as the visitor or, in Irish terms, "the friend", seldom hears about them while spending a holiday in that green land where the slower pace of life is one immediate blessing.

If you have only limited time at your disposal, B&I has recently introduced a new Weekender fare of £25 return, covering two people and a car, valid until May 1 with the exception of the Easter week-end.

This fare covers any sailing from Liverpool on the Friday morning with the proviso that you must return on the Monday. It does not apply from Dublin to Liverpool.

B&I have also tied up some very advantageous rates with Avis under the brand name of *Sail 'N' Rent*. Under this system you can either hire the car in the U.K. or collect one on arrival in Dublin or Cork. In the peak period (July 1-September 30)

the weekly cost for the hire of a Ford Escort is £88 per head, based on four people travelling together. Outside this peak period the hire charge goes down to £26.50 per head. In all cases this B&I/Avis package includes the return crossing either from Liverpool to Dublin or from Swansea to Cork.

As I have spent more time in Cork, Kerry and Clare and always enjoy travelling by sea, the overnight crossing from Swansea, operated by B & I Line, provides its own built-in bonus with the lovely early morning approach up the River Lee, past the cathedral at Cobh, before you tie up close to Blackrock Castle at Cork Ferry-Port—and enter the gateway to

goes up to £71.50 per head for a party of four travelling between July 11 and September 11—include return travel with a car of any length and seven days half-board accommodation at the farmhouse of your choice.

This is just one example of the many variations available and, if you opt for a luxury caravan with a party of four on a self-catering basis, the rates vary between £31.50 in the low season and £48.50 per person during the peak months of July and August.

Again taking the peak period of July and August, the inclusive price for this self-catering package, using Sealink on either the Holyhead-Dun Laoghaire or the short Fishguard-Rossaire crossing, works out at £67.25 per head, with five people in the party, including passenger fares and a car of any length for a fortnight's holiday. With only three travelling together and on the same basis, a week in the lovely month of May costs £40.25. B&I, Cara Ireland, Sealink and the Irish Tourist Board will provide further information on request.

Rural

Motoring in Ireland is a delight, again always provided that you slow down the tempo and are prepared to wait patiently while the occasional stray or a herd of cows crosses the road in front of you in a fairly unregimented fashion. With cows more numerous than fellow motorists, it is all part of the winding-down process.

Although there are countless excellent package arrangements to Ireland, including a wide range of farmhouse holidays where you come into close contact with what is still a predominantly rural community, you will always reap the maximum holiday harvest if you either take your own wheels across the Irish Sea or hire a car on arrival.

A wide range of motoring holidays, linked to B&I's routes, is available from Cara Ireland Tours. If you want to savour the beauty of the countryside and sample Irish hospitality, you can cross on either route and spend a week on an Irish farm for as little as £59 per head providing four of you are travelling together. These rates—the price

goes up to £71.50 per head for a party of four travelling between July 11 and September 11—include return travel with a car of any length and seven days half-board accommodation at the farmhouse of your choice.

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International

Finally, in response to all those mutterings about the non-availability of duty-free goods on what is, by any definition, an international route, the whole question has now been taken up by the two governments to see if, in the words of a recent Press release, "they could give the green light fairly soon."

ADDRESSES:

B&I Ltd, 155 Regent Street, London W1R 7FD

Carareland Tours Ltd, 52 Poland Street, London W1

Irish Tourist Board, 150/151 Bond Street, London W1Y 0AQ

Sealink Travel Ltd, Inclusive Tours Section, London SW1V

622, 15th Floor, 100 Newgate Street, London EC1A 7AA

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side, etc. Prices include car, ferry, site

fees, insurance, etc.

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boats and sailboats.

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COMPANY NEWS + COMMENT

Grand Metropolitan climbs to £77.8m.

THE GROWTH in all divisions and Metropolitan expanded pre-tax profit for the year to December 31, 1977, from £27.08m. £77.7m. on external group sales £150m, ahead at £1.64m.

At half-time, when the surplus is up at £27.16m. (£80.8m.), the directors said they were sure that consistent progress would continue.

For the year earnings per 50p are shown to have improved from 8.4p to 12.2p basic, or from 8.4p to 12.2p fully diluted, and the total dividend is stepped up to 4.2475p (3.8027p), costing £2.98m. (£1.47m.), with a final 2.6475p.

Hotels and Industrial catering produced good results, but licensed public houses met with more difficult trading conditions as a result of the fall in real gross incomes.

The growth in the profits of UK food companies this year, as in 1976-76, arose to a large extent from factors outside the trade in liquid milk and milk-based commodities, which is still affected by major increases in selling prices caused by Common Market and other factors.

Brewing and distribution in the UK and Belgium did well against the background of poor summer weather, and results in Germany were in line at the same level.

Trade in motor spirits, trading in better in most countries but the overall result was affected by changes in exchange rates. The strength of sterling and devaluations in many of the countries in which IDV operate have caused some erosion of margins on sales of whisky to the U.S. and lower sterling equivalents for overseas profits generally, the directors say.

An analysis by activity of external sales and trading profit, which was up at £12.85m. (£10.78m.) shows, with 5000s omitted: hotels, entertainment, catering and managed public houses £161,941, and £57,100 (£124,784 and £32,272); milk and food £371,992 and £15,854 (£362,816 and £11,695); brewing and distribution £153,206 and £38,330 (£121,110 and £22,548); wines and spirits £112,102 and £24,844 (£250,834 and £21,909); and betting and gaming £152,300 and £9,737 (£172,618 and £7,246).

Following the reorganisation of the brewing interests on a regional basis from October 1, 1976, the results of the tenanted public houses for both 1976 and 1977 are included under brewing and distribution. Overseas sales and profits have been converted to sterling at the exchange rates ruling at the end of each year.

The profit after extraordinary items is a credit of about £350,000. Profits on sales of property and investments amounted to about £7.3m. but exchange differences on the conversion of overseas assets and liabilities resulted in a charge of approximately £3.8m. This is mainly due to the effect of currency devaluations in countries where the group has substantial assets such as Canada, Australia, Spain and Portugal.

Full provision has been made for the cost of closing Hawley's Bakeries except for possible losses on the subsequent sale of factory property, the directors add.

1977-78 1976-77
£'000 £'000

External sales 1,641,741 1,489,523
Trading profit 1,086 2,270

Share of associate 12,320 12,378
Other interest 50,528 50,081

Total tax 55,123 55,477

U.K. 55,123 55,477

Overseas 8,282 4,842

Other assets 50,528 50,081

Net profit 38,813 27,683

To minorities 1,074 618

Prof. dividends 451 451

Authorised 57,000 54,804

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding for year	Total last year
Gough Cooper	3.33	March 10	3.25	5.28
Grand Metropolitan	2.65	April 24	4.23	3.34
Hallite Holdings	int.	April 3	1.24	—
Lorain	1.24	April 5	2.81	4.96
Lynton	1.2	Feb. 27	1.1	2.27
Metronet Investment	1.2	April 3	3.7	3.55
Vita-Tex	1.2	April 3	1.2	3.2

Dividends per share not except where otherwise stated.

*Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. ‡Results for 1976-77 already published.

Raeburn shows upturn

AFTER ALL charges, including tax of £24,454 against £722,746, Raeburn Industries Trust improved net revenue for the year November 30, 1977, from £1,049,599 to £1,183,076.

Net asset value at year-end was better at 161.2p (155.1p) per 25p share, or 180p (135p) fully diluted. Earnings were stated at 4.2p (3.8p) and the net total dividend is lifted to 3.7p (3.35p) with a final of 2.8p.

Leigh Mills midway expansion

Taxable profits of worsted manufacturers Leigh Mills expanded from £88,221 to £120,373 for the six months to October 31, 1977, on higher turnover of £1.99m., compared with £1.88m.

However, the directors warn that, because of the depressed state of the home market, the increased level of turnover will not be maintained in the second half.

For all the previous year, sales reached a peak £5.8m. and a single 1.15p net dividend was paid from £228,878 profit.

First-half profit was struck after depreciation of £66,957 (£60,243) and interest charges £47,074 (£24,938).

Bibby plans new structure next year

As from the beginning of 1978, J. Bibby and Sons will be divided into two operating groups—agricultural and industrial—and a new management structure will take effect.

The agricultural side will comprise feeds and seeds and farm products; and the industrial group will consist of edible oils and paper and converted products.

On January 1, 1978, Mr. J. S. Young will succeed Mr. J. S. Bibby as chairman. Mr. J. P. Wood will be appointed managing director of the agricultural group and Mr. A. G. Thompson managing director of the industrial group.

Certain functions will be under the direct control of the chairman and will constitute a corporate office. They will include corporate finance and personnel functions for which Mr. R. A. Allan and Mr. N. G. Price will be the directors responsible.

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£'000 £'000

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Lowland Inv. improves

Net earnings for the three months to December 31, 1977 of Lowland Investment, mainly increased from £51,338 to £53,843. Gross income was lower at £110,602 against £118,778.

Earnings were struck after interest charges and expenses of £27,183 (£23,257) and tax £27,023 (£24,081), leaving stated earnings per 25p share of 0.71p (0.76p).

Net assets per share, assuming full conversion of loan stock, are 63.5p (51.2p).

Now sums assured were £730m.

Results due next week

Rank Organisation's preliminary statement of the main feature of this year's company results is that interest will also be focused on first half figures of international merchants Ince & Co. In the food sector the market will have its eye on Tate and Lyle, British Sugar Corporation and Fitch Lovell.

Analysts are looking for between £116m. and £122m. pre-tax profit.

Record new business and pre-tax income are announced by Hambro Life for 1977. The figures include its wholly-owned subsidiary Hambro Provident Assurance.

New annual premiums were £25.6m., an increase of 10 per cent over 1976. New single premiums were virtually unchanged at 8.25p (£49.7m.).

Now sums assured were £730m.

A-Argentine Tramways

Having now received authority from the Bank of

one-for-one at par (10p) to raise £424,087 has been taken up as to

8.126 per cent.

1977-78 1976-77
£'000 £'000

External sales 1,641,741 1,489,523

Trading profit 1,086 2,270

Share of associate 12,320 12,378

Other interest 50,528 50,081

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Net profit 38,813 27,683

To minorities 1,074 618

Prof. dividends 451 451

Authorised 57,000 54,804

Results due next week

Announce-ment due Last year This year

Dividend (p.) Int. Final Int.

Monday 2.5 9.29 4.11

Wednesday 0.55 1.73 0.55

Thursday 4.45 4.65 5.08

Friday 1.42 1.42 0.94

Monday 0.55 0.55 0.55

Wednesday 5.14 6.71 6.71

Thursday 0.9 0.9 —

Friday 1.25 1.25 —

Monday 0.21 0.21 —

Wednesday 0.21 0.21 —

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SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and mergers

A consortium comprising Rothschild Investment Trust, McLeod Russel and Sipef SA has made a £17.5m. cash bid for don Sumatra, a plantation company managed by overseasers Harrisons and Crosfield. The 110p a share bid will be by a company created for the purpose, which will be owned 50 per cent by McLeod Russel, 45 per cent by the Belgian of SA, and 10 per cent by Rothschild Investment Trust. A fierce battle looks to be in prospect following a £12.5m. offer by Comet Radios for Henry Wigfall. The offer, which was rushed out because of mounting stock market speculation, brought a cold response from the Board of Wigfall, which claims that it can muster votes in respect of over 50 per cent of the capital to maintain the company's independence. The offer comprises two Comet Ordinary shares plus £10 in every five Ordinary shares of Wigfall.

Pride and Clarke has agreed to a proposed merger with Incehage. The acquisition of Pride and Clarke, which has the chisel of importing Toyota cars, is seen by Incehage as a major step in its efforts to establish "a balanced U.K. motor business". The terms of the £10.8m. offer are: 55.25p for each Pride and Clarke Ordinary or 144 Incehage Ordinary for every Pride and Clarke.

The Directors of Madame Tussauds have now reached agreement on increased terms from S. Pearson. The latter's offer of 50p in cash or 65p nominal of a new party Convertible Loan is being backed by the U.K. motor business. The offer, which compares with Pearson's initial offer of 45p, will be raised by a further 2.025p per share, with shareholders being allowed to retain the final dividend.

McKechnie Bros. has offered £1.7m. for Frederick W. Evans. The offer is recommended by the Directors, who, together with its shareholders, have pledged acceptances in respect of over 90 per cent of the company's capital.

The Talbex Group is making an agreed share exchange offer of around £800,000 for James Warren. The offer is seen as an alternative to a fund-raising exercise because Warren is a cash company. Shareholders are being offered 28p shares for every ten Ordinary held.

Plans to redevelop the London Pavilion cinema sites in the City Circus have sparked off two take-over bids for the

cinema operating company. The first bid of 300p a share from Electricity Supply Nominees was quickly countered by Mr. Victor Sanderson, the stockbroker, who offered 350p a share. The bids, however, seem unlikely to get off the ground because London Pavilion, which controls 50 per cent of the capital, quickly rejected both offers.

On behalf of investment clients, Cazenove and Co. has bought approximately 2.8m. Ordinary shares in Udney Investment at 58p per share and is extending the offer to all other shareholders.

Udney's bid of 60p per share is 2.25p above the current price of 57.75p.

Warren (Jct.) 54.5 63.75p 63 0.51 Talbex Radio.

Wigfall (E.) 241.5 163 15.55 Comet Radio.

* All cash offer. + Cash alternative. £ Partial bid. \$ For capital not already held. £ Combined market capitalisation. || Data on which scheme is expected to become operative. || Based on 19/1/78. || At suspension. || Estimated. || Shares and cash. || Based on 20/1/78.

** Based on 19/1/78. || Shares and cash. || Based on 20/1/78.

Prices in pence unless otherwise indicated.

Company Bid for Value of bid per share* Market price** Price bid per share* Market price** Final Acc'tee date

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WALL STREET + OVERSEAS MARKETS + CLOSING PRICES

Mildly off on Union Message

BY OUR WALL STREET CORRESPONDENT

MILDLY LOWER levels developed on Wall Street to-day, following President Carter's State of the Union Message and his economic report to Congress.

However, it was difficult to assess the full impact of the Administration's latest proposals as trading volume was extremely thin, as a result of a snowstorm that paralysed the New York Metropolitan Area and delayed opening on the New York and American Stock Exchanges by two hours.

After dropping almost 4 points, the Dow Jones Industrial Average finished 1.73 off at 776.94, making a net loss of 121 on the week. The NYSE All Common Index, at 440.73, shed 9 cents on the day but was still up 16 cents on the week, while losses led gains by 616 to 526. Trading volume dropped 3.16m. shares to 21.5m. on the week.

FRIDAYS ACTIVE STOCKS

	Stocks Closing	Change
Beeching	249,500	250
Amer. Broadcast	125,800	-12
RCA	71,300	+14
Marconi	10,300	+1
Citicorp	83,100	+24
General Portland	62,300	+12
Perkins Ind.	232	+14
Vertex	59,500	+23
Tele	59,500	+28

Among favourable news to-day, the Government said U.S. consumer prices rose 0.4 per cent in December, following a 0.5 per cent gain in November. The Government also said Real Earnings fell 0.3 per cent in December after a 0.6 per cent drop in November.

Boeing were active and lost \$3 to \$26, but Marshall Field gained \$3 to \$21. Communications Satellite jumped \$23 to \$23 on raising its dividend and Westinghouse held unchanged at \$17, after "flat" earnings.

American Broadcasting fell \$13 to \$351, its programme chief, Fred Silverman, plans to leave the network when his contract expires in June.

THE AMERICAN SE, however, moved higher in thin trading with the Market Value Index up 0.24 to 131.8, making a rise of 1.19 on quiet trading.

PARIS—Lower in quiet trading chiefly on political uncertainty ahead of elections.

BRUSSELS—Belgian prices mainly lower in quiet trading.

AMSTERDAM—Mixed, although trading generally lower in quiet trading.

JOHANNESBURG—Gold shares slightly higher in sporadic local and overseas interest.

SWITZERLAND—Narrowly mixed in light trading.

SPAIN—Mild recovery, with sellers retreating and, except for Banks, more gains in most major issues.

JOHANNESBURG—Gold shares slightly higher in sporadic local and overseas interest.

Heavyweights gained up to 50 cents and "medium" and "smaller-priced" shares up to 10 cents.

AMSTERDAM—Mixed, although trading generally lower in quiet trading.

PARIS—Lower in quiet trading chiefly on political uncertainty ahead of elections.

TOKYO—Slightly lower with President Carter's State of the Union Message, having virtually no effect on the market. Volume 300m. (320m.) shares.

Many leading issues fell after a firm start as buying spent its force.

MILAN—Irregularly lower in quiet trading with some profit-taking. Some political positions also favored some cautious issues. However, there was short covering at the lower levels.

OSLO—Bankings easier, Insurances, Shipments and Industrials quiet.

COPENHAGEN—Higher in moderate dealings. Banks little changed, Industrials mixed.

AUSTRALIA—Mixed with Nine Banks, Industrials generally firm and Oils steady.

JOHANNESBURG—Higher in moderate dealings. Banks little changed, Industrials mixed.

BRAZIL closed yesterday—local holiday.

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Heavy Electricals and some Public Works, Foods, and "big asset" shares firm.

HONG KONG—Prices eased across the board on profit-taking, but recovered near the close on light buying. Trading active.

INDIA—Bankings easier, Insurances, Shipments and Industrials quiet.

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MILAN—Irregularly

APPOINTMENTS

New posts at Firth Cleveland and GKN

Mr. P. B. Hamilton, chairman and joint managing director of the Firth Cleveland subsidiary group GKN, has been appointed a director of companies comprising the BKL Alloys Division of FIRTH EVERLAST: They are BKL Holdings, BKL Alloys, BKL Extrusions and BKL Fittings. Mr. Ian MacNae has joined the Board of GKN REINFORCEMENTS as sales director. He was previously with H. Robertson (U.K.).

To enable the group to respond effectively to opportunities offered by the new relationships with the new Arab and International investment arm, with First City Corporation of Texas, LIL SAMUEL GROUP is being organised into three principal management groups, and Sir Herbert Clark will be the chairman of each of them.

Hill Samuel Life and Investment Management: This group, of which Mr. John Marshall will be the executive, will be responsible for the direction of Hill Samuel Life Assurance and Hill Samuel Investment Management. Marshall will be chairman of the latter companies which together manage funds exceeding \$6m.

Hill Samuel Broking and Consulting Services: Mr. Victor Wood will be chief executive of this group which will direct Lowndes, Lambert Group, including Noble Wades, and Lambert Brothers (LFB). Wood will be chairman of both the latter companies.

Hill Samuel and Co. As announced last month, Mr. John MacNae will be chief executive of a merchant banking group.

Mr. Malcolm Bevitt, at present group manager (polyethylene) at the Teesside works of PERIAL CHEMICAL INDUSTRIES, has been appointed project manager (Propylene) in PCL's styrene division's engineering department at Welwyn Garden City, from February 1.

The JARDINE MATHEISON GROUP has completed a major restructuring of its insurance holding interests in the U.K. and operating company, Jardine Matheson Insurance Brokers, has been established as the principal holding company, based in London. It holds five operating concerns which will each be responsible for development.

Mr. Paul Tubbitt has been appointed sales and marketing director of BOWKERS BROS. (CLATHEROPE), a member of the CHI group.

Mr. Vernon J. Gunn has been appointed as a director of STIPPHOUSE REED SHAW LONDON because of ill-health.

*

Mr. Mike Oxley has been

marketing and general administration in specific insurance broking areas. Mr. Simon Kewsey has been appointed chairman of the new company and Mr. D. G. Lyon is joint deputy chairman and Mr. D. G. Lydon is joint deputy chairman and managing director. Mr. Lydon continues as chairman of Thompson, Graham and Co., and is also chairman of the Aviation Committee of Lloyd's Insurance Brokers Association. Other members of the Board of Jardine Matheson Insurance Brokers are Mr. R. P. D'Ambrum (joint deputy chairman), Mr. K. Brown, Mr. D. E. Carter, Mr. M. P. Dawson, Mr. P. Ford-Robinson, Mr. J. W. Hayter and Mr. T. Mosoghan.

Mr. John A. McDonald has been appointed chairman and Mr. Albert A. Thorburn, deputy chairman, of MASSEY-FERGUSON. Mr. McDonald, who is chairman and president of Argus Corporation, a Toronto-based investment company, continues as chairman of the executive committee, and Mr. Thorburn continues as president. In addition, Mr. H. N. R. Jenkins, chairman of the Empire Life Insurance Company of Toronto, has been made a director of Massey-Ferguson.

LEX SERVICE GROUP has made the following three new executive Board posts: Mr. Gilbert Black, chief financial officer; Mr. G. L. Lunn, director of planning, and Mr. Jim White, who is responsible for Lex Hire and Leasing and Transportation.

The Secretary for Energy has appointed three new members to the ADVISORY COUNCIL ON ENERGY CONSERVATION. They are: Mrs. C. Pillay, Engineers and Managers Association; Mr. J. R. Foster, Amalgamated Union of Engineering Workers; and Mr. J. Edmunds, General and Municipal Workers Union.

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*

Mr. D. A. Walker is to become chief of the economic intelligence department at the RANK OF ENGLAND from March 10 on the retirement of Mr. M. J. Thorstein.

*

Mr. Derrick Birtwistle has joined HENRY BOOT CONSTRUCTION as a director of the building division with responsibility

for £5,000

BIRMINGHAM'S Tory-controlled council is offering to sell council houses for as little as £25,000 each. It has 35,000 unmodernised pre-war houses and about 1,300 are left empty each year.

Under a scheme announced yesterday, tenants will be able to buy them as they become empty — with 30 per cent knocked off the £25,000 market value.

Ratespayers will be saved the cost of modernising the properties at an average cost of £2,700 each.

*

Council homes go on sale for £5,000

WARDGATE COMMODITY FUND

at 30th December 1977 £9,57,49.36

WCF MANAGERS LIMITED

P.O. Box 72

St. Albans, Herts

SG9 2EP. Tel. 052 20591/2

Next dealings 31st January 1978

Mr. D. E. Weimer has been appointed managing director and chief executive of M. L. ALKAN from February 1 in place of Mr. G. C. Goss. Weimer has become chairman and will continue as an executive director until his retirement in October. Mr. R. Easer has resigned as a non-executive director. The company is a member of the Guinness Peat Group.

*

Mr. Mark Price has been appointed finance director of AVELING MARSHALL and Mr. Peter Quick becomes managing director of Self-Changing Gear, members of the Leyland Special Products group.

*

WEARWARMERS Co-operative (Wearmers) today disclosed that it had been prepared to extend an offer for the entire capital of Cuming Smith after obtaining 50.4 per cent of the company through purchases on and off the share market. Wearmers had written a letter confirming its intention to offer \$A2.66 a share, the highest price paid in the exercise.

Cuming Smith directors called on Wearmers to extend an offer after control had been obtained. However, earlier this week the Cuming Smith Board said that legal action was proposed because legal advice suggested Wearmers had breached the Companies Act in relation to some of the purchases.

Wearmers said the proposed legal action could only be construed as rejection of the approach and Wearmers had little alternative but to abandon any intention to make an offer for the remaining shares.

Wearmers would only re-

consider if Smith directors would meet in an effort to "co-operatively resolve" the outstanding matters.

The new bank was the biggest of five bidders for the failed bank after it was closed on Thursday.

appointed managing director of the midland region as its chairman and managing director. He was previously with John Laing and Son.

The COUNCIL OF THE EUROPEAN OPTIONS EXCHANGE in Amsterdam states that Dr. T. E. Westerterp has been appointed general manager. He was formerly Minister of Transport and Public Works of the Netherlands, and has held the office of State Secretary of the Ministry of Foreign Affairs.

Mr. Ronald Miller has joined SIMON-BARRON (Simon Food Engineering Group) as director responsible for the company's plant contracting. He was previously engineering director of Heenan Environmental Systems.

*

Mr. Jack Bennett has been appointed group director of personnel for NATIONAL CARRIERS.

*

Mr. Ronald Miller has joined SIMON-BARRON (Simon Food Engineering Group) as director responsible for the company's plant contracting. He was previously engineering director of Heenan Environmental Systems.

*

Mr. Tony de Boer has joined the BOARD OF BEVERLEY ENGINEERING. He is chairman of Atco Petroleum and a director of other companies.

*

Mr. Andrew Ray has been appointed the first technical director of BOC. He is succeeded by Mr. David Peters as chief executive, engineering division.

*

Mr. Frederick Lang and Mr. J. E. Moffatt have been appointed members of the NORTHERN ECONOMIC PLANNING COUNCIL.

*

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The First Viking Commodity Trusts

Commodity Offer 42.6 Trust Bid 40.5

Double Offer 90.0 Option Trust Bid 85.0

Commodity & General Management Co Ltd 6 St George's Street Douglas Isle of Man Tel: 0324 4882

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COMETCO The Commodity Brokers

COMMODITIES/Review of the week Tin price-range rise rejected

BY OUR COMMODITIES STAFF

HERE IS no increase in International Tin Agreement price range, it was announced yesterday in a official communiqué at the 11th week's International Tin Council meeting in London. That a proposal by the producing countries to lift the "ceiling" and "floor" prices by Malaysian ringits to a range £1.00 to 1.700 ringits a picul failed to win sufficient support.

It, too, had a compromise proposal from Belgium for a new range of £1.400 to 1.600 ringits. It was agreed to continue the question again at the meeting of the council on 11-14 April.

Lead prices also fell heavily this week. Cash lead declined by as much as £27.25 to £332.25 a tonne as a result of sustained selling by disillusioned speculators.

Copper, too, was hit by speculative selling. Adding to a generally gloomy outlook were fears that U.S. producers would succeed in restricting "cheap" copper imports from the rest of the world.

News of a bigger fall in U.K. copper demand during the final quarter of 1977 sent prices to new 16-month "lows" on the London futures market yesterday. The May position ended the day £17.5 lower at £1,518 a tonne. This was £12.5 below last week's closing level.

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STOCK EXCHANGE REPORT

Leading equities quietly firm but gilts turn hesitant
Share index 1.6 harder at 487.6—Properties prominent

Account Dealing Dates 114 per cent. 1985-87 down 3 at Armitage Shanks 3 to 75p and Newthorn a like amount to 175p. Engineering leaders moved northwards and were rarely altered, but secondary issues often recorded useful gains. Holdings featured with a rise of 16 to 156p in response to the good "new time" dealing saw take place on 12.3 per cent. two business days earlier. Despite the absence of a firm date from British Funds, leading gilts picked up from an uncertain start and closed marginally better after another quiet trade. Up 3.1 at 2 p.m., the FT Industrial Ordinary share index added a net 1.6 up at 487.6 for week's rise of 6.7; this follows loss of 4.5 over the first two weeks of the year.

Hopes that the money supply might be brought back within the 18 per cent. range before the fiscal year end and the rate cut down in inflation marked by the December Retail Price Index announced yesterday, failed to stimulate buying interest in the Funds. Closing losses here were limited to 4, however, and the Government Securities index eased to 77.23 for a loss of 0.86 since the start of the year. Equities were featured again by activity in second-line issues which, as earlier in the week, provided the bulk of the day's chief price changes on trading statements and speculative interest. Price movements in the index constituents were narrowly mixed, but rises again outstripped falls, by seven-to-two, in all FT-quoted equities and the broad-based FT-Actuaries Indices showed widespread small gains.

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Gilts subdued

Fresh calculation of the slow-down in the UK inflation rate failed to impress British Funds which moved narrowly and generally presented an easier bias. Occasional sales, thought to represent profit-taking after the 18 to a 1977-78 peak of 150p. Other issues were active, but little changed following the previous day's late firmness on news that Allied Breweries had received permission for interim beer price increases. Alled closed fractionally better at 88p, while Scottish & Newcastle edged up 1p to 89p. p.m. brought caution and Distillery concerns held firm after the absence of a new issue. Thursday's flip on Distillers' short-dated stocks finally rewarded for whisky. Building closed the week with record gains. Richard Cawdron put 10 to 274p and Taylor Woodrow 6 to 410p, while Richards and Wallington were 5 better at 77p. Speculative buying lifted

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MAN OF THE WEEK

Bringing steel to heel

BY RUPERT CORNWELL

MOMENTOUS EVENTS often take place in the most hum-drum fashion; and so it was earlier this week when Miss Mary Frampton popped into the British Steel Corporation's headquarters in Grosvenor Place. Yet the communication she so swiftly and matter-of-factly delivered to Sir Charles Villiers, BSC's chairman, may well prove to be a constitutional milestone. As Clerk-in-charge from the Commons she was the messenger of a Parliament seeking to reassert its ancient but almost forgotten powers as the supreme authority of the Realm.

It could be, as Sir Charles has said, that those famous papers on the Corporation's finances



RUSSELL KERR, MP

contain no earth-shaking secrets (although the photostat documents obligingly sent last weekend to national newspapers by "Hotroll, BSC" answer to "Deep Throat" have whetted everyone's appetite). No matter. A Commons Select Committee has for once faced down one of its eminent witnesses and where the drama it has set in motion may end, no-one any longer can predict.

Momentous events also have a knack of throwing up the most improbable heroes. And it is no disrespect to Russell Kerr to say that he is not the man one would have cast as symbol of the legislature's revolt. He indeed would be the first to admit this. The role moreover he has played as chairman of the Select Committee on Nationalised Industries, at the centre of the steel affair, has produced recrimination and discomfort enough to make him wish the hurricane had blown somewhere else.

At 56, and Labour MP for Feltwell for almost 12 years, he had seemingly found his niche: elder statesman of the left-wing Tribune Group (and Director of the newspaper whence it drew its name) and a Tory heckler of redoubtable opponents. The technique consisted of aside-delivered sententious from the Front Bench, below the rangy in an unmistakable rumbling growl. Australian-born and educated, and a member of the RAF's Pathfinder Group during the war it is not surprising he has become a pillar of Westminster's sporting occasions. Cricket in particular, but golf as well. One prodigious hook of the first tee in a parliamentary meeting a few years ago prompted his partner, the then Speaker, Mr. Selwyn Lloyd to remark: "Keeping left as usual, Russ."

Loyalty

But, it is that entrenched loyalty to his cause which has given him such heartache in the ten days since the BSC row became front page news. The Select Committee, made up of Tory and Labour MPs (both left and right wing), alike insist. Fellow Tribunes have accused him of being the Conservative to put the Government on the spot, and of taking a wickedly capitalist line in issuing a report which advises cutbacks, closures — and inevitably redundancies — in a sacrosanct nationalised industry.

Most upsetting of all, perhaps, has been public disagreement with his old Left-wing friend, Mr. Michael Foot, Leader of the House and another of Tribune's father figures. But on Select Committee the two part company.

Mr. Foot has that rigid, almost religious, conviction that only the Chamber of the Commons matters, that the Committees "upstarts" are the devil of privilege and secrecy incarnate. Kerr, however, has doggedly supported his Committee's right to know; for all his love of jousting with the Conservatives, and in full knowledge that he was at odds with both friends and Government.

No circumstances could have better illustrated the over-riding single virtue of Select Committees — the chance they afford for the often futile adversary politics of the floor of the House to be put aside, so that MPs can examine problems dispassionately.

U.S. and Arab links for Hill Samuel

BY MICHAEL BLANDEN

HILL SAMUEL, the London merchant bank, is planning to expand its international business after the establishment of new links with a leading Texan bank and a widely-based consortium which includes extensive Arab participation.

The move will give the Hill Samuel Group an immediate injection of £9.3m. of new capital on top of its present shareholders' funds of about £70m.

Sir Kenneth Keith, group chairman, said yesterday that he regarded the extra resources as rather less important than the opportunity which the development would give for the group to take a step forward in its international operations.

Under the scheme, the Hill Samuel Group has agreed to issue new capital to Banque Arabe et Internationale d'Investissement and to First City Bancorporation, of Texas.

The Banque Arabe group is a Paris-based consortium merchant bank owned through a Luxembourg holding company and a wide range of international shareholders. Half the capital is held by leading Arab financial institutions and the other half owned by non-Arab banks from 16 different countries, including Barclays Bank in the U.K. and Bank of America.

Hill Samuel is to issue Banque Arabe a total of 3.3m. Ordinary shares at a price of 100p each together with £4m. of 7% per cent. convertible unsecured loan stock 1983 at par. The loan stock will be convertible at 120p a share at any time from July 31, 1980.

The group was now going into

development on its own. The proposed shareholdings were the outward sign of the relationship which would be built up. Texas and the Middle East, Sir Kenneth said, were two of the fastest growing areas of the world economy, generating both cash and business.

The Texas group is to subscribe for 2m. Ordinary shares of Hill Samuel at 100p a share. It will also be granted the right, at specified periods in each of the next three years, to subscribe for up to a further 1.3m. shares on terms to be agreed at the time.

The news yesterday raised

Hill Samuel group shares to 97p compared with 94p on Thursday.

Approval

The arrangement is subject to the normal official consents as well as the approval of shareholders of Hill Samuel.

The group indicated yesterday, however, that it had talked to the Bank of England, which holds a close eye on foreign shareholders.

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Record trade surplus for Japan

BY CHARLES SMITH

TOKYO, Jan. 20. JAPAN had a trade surplus of \$2.31bn. (£1.68bn.) last month on a customs clearance basis, a record for a wide margin, the Finance Ministry reported yesterday. The previous largest surplus, last July, was \$1.49bn. or £870m. short of the December record.

Benefit were expected to accrue not only in merchant banking but also in other areas of the group's activities, such as insurance, ship broking and investment management.

After the deal, Banque Arabe will hold 5.2 per cent. of the increased capital of Hill Samuel Group. First City Bancorporation will own 3.1 per cent.

If Banque Arabe exercises its full conversion rights and the Texas bank takes up its options on further shares, Banque Arabe's holding will increase to 9.7 per cent and First City's to 4.8 per cent.

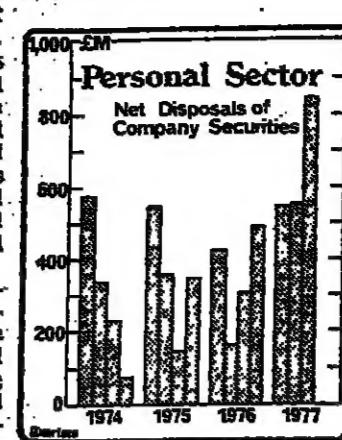
M. Yves Truffert, chairman of the Banque Arabe group, and Mr. James Elkins, chairman of First City Bancorporation, will be appointed to the Board of Hill Samuel Group. M. Roger Azar, of Banque Arabe, will be appointed to the Board of certain operating subsidiaries.

Appointments Page 23

THE LEX COLUMN

Conversion hints from Grand Met.

Index rose 1.6 to 487.6



childish, failed to stop the "three sisters" merger to form Harreros Malaysian Estates, and again recently when McLeod Russell made an offer for the H and C associate Malaysian. Subsequently H and C made a higher counteroffer for Malaysian and then announced a takeover offer for Harreros Investment Trust, another associate which holds significant stakes in a number of the plantation companies within the tangled H and C empire.

Now there have been two further offensives by Rothschild, backing consortia which include McLeod Russell, Hume Holdings, and Sipel, a Belgian-based plantations operation. On Thursday one consortium announced a bid of 110p share for London Sunnara, yet another H and C associate. And last night it emerged that Rothschild, on behalf of a slightly different consortium, is prepared to offer 80p a share cash in the market for up to 30 per cent. of Harreros, offering both H and C's revised 82p cash alternative, and its share exchange offer, worth 86p.

Plainly shareholders in the H and C group now have to think very carefully before taking action. They may wonder why the Harreros Board and its advisers Lazard are still recommending the H and C terms although there is a buyer for at least some of the shares at a higher price. And they may wonder whether, if London Sunnara is really worth 110p compared with 80p in the market at the end of last month, some of the other plantation shares in the Harreros portfolio also have hidden charms.

Over the years it has contemplated merging with groups such as MEPC and Slater Walker as well as going it alone. But in common with most of the Accepting Houses it is now realising that it is no bad thing to have an international partner. This is the background to yesterday's announcement that a medium-sized Texan bank and a small but well-connected Arab consortium are taking a stake of 8.3 per cent. in the Hill Samuel Group.

One paper the move has its attractions. Texas is one of the wealthiest and fastest growing states in America and apart from recently taking a 10 per cent. stake in the National Bank of Ras al Khaimah (pop. 57,000), Hill Samuel has hardly made a mark in the all-important Middle East market.

The group says that the primary purpose of these investments is to secure a close working relationship between the three groups. But the fact that it is also raised £9.3m. should not be overlooked given the group's lowly market capitalisation of under £80m.

Jungle drums

Major developments have taken place this week in the battle between the Harrisons and Crosthwaite plantations group as well as the Rowntree Mackintoshes. The two sides crossed swords last year when Genting the Highlands, advised by Rothschild,

Davy heads world bidders for big Venezuelan works

BY JOSEPH MANN

BRITISH COMPANIES will bid in the coming weeks for major Venezuelan projects in offshore oil exploration and steel, it was learned to-day.

Davy International, will head a consortium which last year won a £200m-plus contract for a steelworks in Brazil, of British, German, French and Japanese partners in bidding for construction of the first stage of the Zulia steelworks in Western Venezuela.

The Zulia plant, originally to be wholly-owned by the Venezuelan Government, will now be a mixed capital venture with 51 per cent. of the equity held by the Venezuelan Government and 49 per cent. by private investors, most probably foreign.

The Venezuelans plan to build a steel mill near Lake Maracaibo and a steel mill near Lake Maracaibo, a subsidiary of talks with Venezuela.

The group had discussed Anglo-Venezuelan co-operation in offshore exploration and oil production, solar power, the Zulia steelworks, aluminium, bauxite and agriculture with Venezuelan officials.

Dr. Mabon told reporters that his group had discussed Anglo-Venezuelan co-operation in offshore exploration and oil production, solar power, the Zulia steelworks, aluminium, bauxite and agriculture with Venezuelan officials.

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News of the two British initiatives came at the end of a six-day visit by Dr. J. Dickson Mabon, Minister of State for Energy, and other U.K. representatives.

The closing rate for the dollar was £241.90, down from Thursday night's close of £242.35.

It was a relatively busy day in the stock market with £288m. changing hands, compared with Thursday's £182m.

Last month's record trade surplus will be followed by a deficit in January, reflecting seasonal factors.

Leyland re-phases price increases

BY TERRY DODSWORTH, Motor Industry Correspondent

A FIRM INDICATION that the U.K. motor industry will abandon its established pattern of quarterly price increases this year in favour of two half-yearly rises emerged yesterday from Leyland Cars.

The State-owned company is to raise its prices by an average of 6.5 per cent. on Monday, taking the 850 Mini over the £2,000 mark including delivery charges. But it "envisioned" that the rises would be the first of only two price increases it would introduce this year.

The Prices Department indicated last summer that it felt the big four manufacturers were taking advantage of the three-monthly allowance increase system.

In response, most of the producers decided not to apply for a rise last autumn, and since then material costs and the rate of inflation have moved in their favour.

Leyland's increase is by far the largest of the present round, which was started by Vauxhall in December with a 5.2 per cent. average rise. Ford's prices have gone up by 4.8 per cent. and Chrysler's by 4.5 per cent.

Leyland's decision to go for a higher increase seems to have been prompted by the determination of Mr. Michael Edwards, the new chairman, to maintain margins as much as possible rather than pursue a competitive pricing policy.

Examples of the new Leyland prices are: Mini 350 £1,950 (old price £1,883); Allegro 1500 Super four-door £2,833 (£2,689); Marina 13.1D four-door £2,647 (£2,483); Princess 1800 HL £3,707 (£3,564); Rover 2600 £5,992 (£5,800); Jaguar XJ 3.4 £2,230 (£2,050).

Philip Rawstorne writes: Mr. John Barber, former British Leyland chairman, says to-day that the corporation might have been saved from the "rather stupid" plan devised by Lord Ryder, former head of the National Enterprise Board, by a tougher investigation by the Commons Trade and Industry Committee.

The committee's inquiry could have asked "much more difficult questions" about the plan, he says in an interview recorded for the Independent Radio News programme, *Decision Makers*.

Recall of Leyland cars, Page 19

Weather

U.K. TO-DAY
 CLOUDY, rain at times, bright intervals. Snow likely on Northern hills.

London, Cent. Southern, S.E. England, Midlands, Channel Is. Cloudy, rain at times. Max. 5°C.

E. Anglia, E. England Bright and dry at first, becoming cloudy with rain later. Max. 5°C (41°F).

S.W. England, Wales, N. Ireland Cloudy with rain, clearing. Max. 6°C to 8°C (43°F to 46°F).

N.W. Cent. N. England, Lake Distr., Isle of Man, S.W. N.W. Scotland, Glasgow, Argyll

Cloudy, rain. Max. 6°C (43°F).

N.E. England, Borders, Edinburgh, Fife, Bristol, Cardiff

Cloudy, rain. Max. 6°C (41°F).

Brussels, C. 4 39 Newcastle, N. 2 26

Paris, C. 5 41 Oslo, C. 2 26

Stockholm, C. 5 39

Sydney, C. 15 52

Tokyo, C. 15 52

Rio de Janeiro, S. 1 12

Rome, C. 12 52

Stockholm, C. 12 52

Stockholm, C. 12 5